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GETTING A LIVING

The Problem of

PROFITS, WAGES AND TRADE UNIONISM

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WINNING A LIVING

THE PROBLEM OF WEALTH AND
POVERTY—OF PROFITS, WAGES
AND TRADE UNIONISM

By
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PREFACE.

To remedy society's many ills, and to attain its magnificent possibilities, the all-inclusive need of course is knowledge of nature's economic and sociological laws, whose observance by men, or non-observance, makes society at any time what it is. To a large extent the same is true of such knowledge with each person individually.

The belief that this knowledge can be sufficiently possessed by the people in general appeared in the establishment of popular government, and appears now, stronger and more widespread than ever before, in the dissemination of information by state labor bureaus and by economic societies, and in the unprecedented interest in sociological study among preachers and teachers, trade unionists, literary club women, and the thoughtful in every class. It seems to be true that "all economists and labor bodies agree that education in economics is the great desideratum for working people," and, it may be added, for all other people. Hence, in view of the present interest, and of the general study of economics since the rise of trade unionism twenty years ago, the reason why so few have other than a hazy idea of the problem of wealth and poverty seems not to be indifference; nor is it lack of knowledge to be studied, for the investigators and economists have found out nearly enough in most particulars what the truth is. The trouble seems to be that its scattered form has made this truth inaccessible to all not having the mind, the time, and the money to study scores of books and hundreds of reports and periodicals, and to pick out the truth from a mass of error.

The purpose in writing this book, therefore, is to give the connected and somewhat complete view that all intelligent citi-

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zens should have of the many economic divisions of the great problem of labor and life, but which, for the reason stated above it seems, is possessed now by perhaps less than a tenth of even college graduates. That there is no necessity for having this most important of perhaps all fields of knowledge thus closed, seems to be evident in the approach to its mastery by tens of thousands of men using mere common sense, without ever having read a chapter on economics; and that the ordinary sensible man can and will go to some depth into its intricacies is indicated by his abundance of ideas on its topics, and by his easy perception of its finer distinctions.

Sufficient reason for the author's writing of this book exists in the apparent fact that the service is needed and desired, and is not being performed. But as few are so well prepared to judge conclusions that to them the authorship is a matter of indifference, and as generally one's class connection affects materially his ideas of wealth and poverty, it seems pertinent for the author to state here the combination of experiences and circumstances that apparently gives him special fitness for the task undertaken. In the printing business carried on for nine years by him and his partner they do themselves most of their skilled work, and hence are directly benefited by high wages, since such wages keep up prices, but hiring others gives them also the usual interests of the employer. The author's experience has been varied—in over three unbroken years of child labor, beginning at eleven; in failing and succeeding, as employer and employee, in the latter capacity in several occupations; in small industries and large; in striking and being struck against; in North and South, in primitive country districts, in the large cities, and at great mines; in circumstances of special application to socialistic discussion, such as close taxing of strength, as being held until near middle life at work not the most suitable, and as general non-realization so far of hopes ordinarily deemed commendable.

The fact that these experiences have been commonplace, a tempting in all points such as anybody passes through, and especially the fact that they are going on still and are likely to continue,—seem to be advantageous for interpreting the principles of getting a living; and the same may be said of a connection with trades, classes, and sections loose enough in

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each case to favor impartiality of judgment, which is facilitated also by two years of university study long ago, and by an intention from youth up to follow as a profession the popularizing through journalism of all-sided knowledge of public affairs.

For twenty years the author has felt that what conditions afford is less truly "the scholar's opportunity"¹ than an opportunity for the scholar's interpreter. What others think of the practicability of his plan for carrying the knowledge of specialists to average people is indicated in authoritative reviews (see last pages of this volume) of his book of last year on trusts.

As each side in the labor controversy has now enough partisans or advocates, emphasizing points of strength and minimizing points of weakness, brother trade unionists and fellow employers will understand that since the author here represents the great third party, the public, he would be unworthy of his task, and would have a bad opinion of his comrades, if for fear of any kind of punishment from them he hesitated to give the truth as his best endeavor finds it, without regard to which side it antagonizes. He has faith enough in each side's honesty to believe that each desires to gain, not by covering opposing truth but really by having all the truth in the case known; and he has faith enough in the people's intelligence to believe that no covering of truth can long be successful.

The authorities cited, it will be noticed, are chiefly of the latest and most reliable. Usually the facts of the matter, not the opinions given, may be found in the book or paper cited. This is especially the case with the government reports, in which, as a rule, few conclusions are drawn.

To those critics to whom the style in some places, such as Chapter XXVI., may appear too polemic—may seem to be the style of an attack rather than that of an inquiry—it is to be said that in the author's opinion more considerate treatment of the views controverted is not deserved, and would have involved to some extent that common sacrifice of truth for expediency

¹Title of an inspiring address (*Political Science Quarterly*, 1897, page 589) by Prof. J. B. Clark to Amherst students, in which he draws aside the curtain from the illimitable well-being that society can largely realize soon if it only learns better to comprehend and utilize economic forces having a promise not yet conceived by the mind of man.

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which makes false doctrines so persistent. For making a few sentences, in different parts of the book, faulty in length and balance by crowding in parenthetical phrases, the reason was that needed information not otherwise available was thus to be included for which an interested person would gladly incur the slight additional effort in reading. The same reason is to be given for the unusual length and number of the foot notes.

Since the first chapters left the hands of the author the Irish land bill (p. 31) has become a law, and is being extensively utilized in the purchase of land by tenants. The labor uprisings in Russia (pp. 171, 398) have continued, a half million workers being on strike in August, and reforms there will probably come faster hereafter. To the discussion of a few topics, especially blacklisting and boycotting, additions are made here and there to the end of the book that were necessitated by later events. All that the book contains concerning a topic is referred to in the index.

GEORGE LEWIS BOLEN.

Jackson, Michigan, October 15, 1903.

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CHAPTER I.

RENT AND LAND OWNERSHIP.

The Four Shares in the Distribution of Wealth. By the relative demand for and supply of the four factors of production—land, labor, capital, and employer's ability for managing and for bearing risks—the distribution or division of the wealth they are united to produce is mainly determined, demand and supply here, as elsewhere, fixing prices in share of wealth received. From the money for which the product is sold, or from the product itself, as when in former times shares were taken in wheat, the owner of land (including with land its climate, water, minerals, and its native plants and animals) receives *rent* as his share; the owner of capital (the tools and materials) receives *interest*; the hired workman receives *wages*; and the man carrying on the business, the captain of industry, receives *profits*, or bears the loss when no profit is realized. A farmer who tills his own land, without hired help, receives all four shares. A house painter who does all his work, with his own paints and his own outfit of ladders and brushes, receives all the shares except the rent he pays for his paint shop. Railway and manufacturing companies, if out of debt, own their land and capital, and receive all the shares except the wages and salaries paid to their many employees. Any business, to be successful, must pay all expenses, yield an allowance for depreciation of property, and yield every one of these four shares, to the measure that is usual for the particular business in its community. Besides the rent a farmer's land would bring if tilled by others, and the interest others would pay on the capital spent in barns, tools, seed, and fertilizers, his total income, to make his farming a success, must include as much in *wages* as he could earn by working for a neighbor, and enough profit also to pay for his care and risk of capital in the uncertainties of farm-

ing. By reason of poor seasons, bad management, or low prices, it often happens that in farming not all of this is accomplished. The same may be said of other occupations.

Degree of Desirability Fixes Rent. Rent is a payment made to the owner for the use of land that is more desirable than other land that could be used without payment of rent. The amount of rent depends upon the degree of desirability. If a piece of land is but little to be preferred above no-rent land, it will bring low rent; if greatly to be preferred, it will bring high rent. In a large and not fully settled country like the United States there is no-rent land at many places. One homestead of 160 acres of government land, in many frontier districts, can yet be taken up free, and full ownership acquired through five years' settlement and cultivation, by any man who is a citizen or intends to become one, and also by unmarried women or widows. A person in densely peopled England, to get the use of no-rent land, must go to other countries, though he may be allowed free use at home of a piece of worthless marsh or mountain barren; and small bodies of practically worthless land are included rent-free everywhere in connection with the better land to which they are united in a farm.

Rent for Fertility and Location; Interest for Capital in Buildings. Rather than go to distant no-rent lands, a man pays rent. To get just the land he prefers, he may pay a high rent, as for a corner store on Broadway. In this case he pays for favorable location only. With farming land near a city the rent is partly for location and partly for fertility. The portion allowed for the house on the farm is not pure economic rent, but interest on the capital with which the house was built. The same is true of the portion allowed for fertility made by spending capital in clearing, draining, and fertilizing. Money paid for use of an office on the twenty-fifth floor of the Park Row Building in New York is partly rent, considering the central location, but perhaps is chiefly interest on capital spent upon the building. Where a street car company pays its stockholders dividends on a capital stock of \$15,000,000, with a plant and equipment that cost only \$7,500,000, half of the dividend is on the value of its franchise, and is rent for the land in the streets, the sole right to which has been obtained from the city.

The other half of the dividend is interest on capital spent for tracks, etc. (not counting value of business and profit for risk).

Rent Does Not Increase the Price, in many cases at least, of the product grown on the land rented. The price of wheat is fixed by the cost of producing that portion of the demanded supply which is grown under most unfavorable circumstances. This part is grown far away in the West, where one can get fertile land free, but must take a local price lessened by the cost of freight to market; or in nearer farms it is grown on spots of land so poor that no one would guarantee rent for it, yielding to the owner or occupier barely enough to pay for the seed and labor. As the demand for wheat holds prices high enough to keep this labor engaged on such land raising wheat rather than in other industry, the farmer on good land obtains from his larger yield sufficient income to pay rent, over and above the three other shares. Knowledge among farmers generally of the extra desirableness of the better land, and their freedom to bid for it, causes rates of rent and of purchase price to balance desirableness with great exactness.

One Price for All the Supply. One bushel of wheat sells for no more than any other bushel of the same grade in the same market, though at about equal cost one bushel may have been grown on an acre yielding only five bushels, and another on an acre yielding fifty bushels. If a tenant, allowed by a kind-hearted landlord to farm good land free of rent, sold his wheat for less than the highest price he could get, the difference in price would simply be a gift from the tenant to the buyer, as the amount of the rent was a gift from the landlord. A quoted saying of a noted political economist was that entire abolition of farm rent in England would not add a pinch of flour to the poor man's two-penny loaf. Prices of farm produce there would be the same after abolition of rent as before. Tenants, while allowed free occupancy, would be the same as owners, who strive just as eagerly as tenants to get the highest price. It is the prices that fix the rent, not the rent that fixes the prices. English rents and land values have fallen greatly since the lowering of English prices by importation of cheap grain from America and Argentina.¹

¹**The Economic Law of Value and Price.** If much of any commodity is

Store Rents and Prices of Goods. Would not goods be cheaper in cities if store rents were not so high? A restaurant keeper will say he cannot pay his rent and help and furnish his grade of meals for less than twenty-five cents. Rent will be the first expense he mentions. A large part of a merchant's profit over cost of goods must usually go for rent. With no rent would he not give that part of the profit, or some of it, to the buyer in order to get his trade? Undoubtedly he would; but with no rent there would be no buildings. Capital is invested in store buildings because they bring rent—rent for the ground and interest on the cost of building. A merchant erecting a building for his own business wants rent for it no less than if he leased it to a tenant. For the lot left vacant, rent would arise as soon as more than one person wanted the location. A fruit vender allowed at first by the land owner to use the sidewalk free of charge might be forced to pay rent by other vendors offering a price for it. If the owner refused the highest offer, he would simply give that sum to the first vender. The

offered, in proportion to the demand, price falls; if little, price rises. In the former case, to dispose of all the supply offered, price must be lowered to reach persons who lack means or who do not care much to buy. In the latter case there are enough buyers who are willing to pay well. A dealer puts price as high as people will pay and continue buying. The one price for all the supply offered is fixed by the buyer's estimate of the utility to him of the least desired portion the price will carry off in sales. For the most necessary portions he uses he would pay great prices, if supply were so reduced, as in time of famine. Value and price of present supply depend on this *marginal utility*, and by unforeseen increase of supply or shrinkage of demand may fall below cost of production; but output will then be decreased, so that price of future supply will cover cost, with grower's or manufacturer's profit, of that portion of the supply placed in market at greatest expense. To this cost and necessary profit, price tends to conform. If it rises above, new producers enter the business or old ones enlarge capacity, thus increasing supply; if it falls below, some of the marginal producers drop out. Farmers do not drop out promptly when price thus falls. They have choice of few crops, are slow to change, cannot easily determine what profit they are earning, bear their loss in lessened income from their own work and capital (not in money spent without return), and often hope that price will rise by next season. But when profit becomes high, acreage cultivated is increased at once. A factory cannot be diverted, without great loss, from the business for which it was built, but when demand fails it can be run on short time.

other venders would prefer paying rent for the good location to using no-rent sidewalks on which fewer people passed. The share of rent necessarily added to each dollar of sales is usually a larger sum with low rent than with high. As a rule, well established stores paying highest rent sell most goods and have lowest average of prices. No experienced buyer would expect to get goods so cheap in a cross-roads store renting at \$100 a year as in a great city establishment renting at \$100,000. It is the business afforded by the location that fixes the rent—the crowd to be reached, and the opportunity to make many sales at a profit; as farm rent is fixed by the land's fertility and the net prices to be obtained in its market.

Where Rent Raises Prices. In the case of business stands, a share of rent is added to prices because the service of store-keeping for a city cannot be performed outside of it from no-rent land, and because the small area suitable for stores is occupied for other purposes yielding rent. Hence, to make a living profit the merchant in the worst location, however eager his desire for more trade, must raise his prices sufficiently to pay the rent his land would bring for residence or other purposes. Merchants in better locations can sell no higher, but the large concerns may sell a little lower, their high rent being lower than his per dollar of sales. In the same way the worst land used for market gardening, below cost of production on which price cannot fall to remain, yields at least the rent it would bring for other purposes; and the prices paid the market gardener, to keep him in business and secure the demanded supply, must aggregate in the year the amount of his rent above what would otherwise be necessary. The prices of vegetables in a town located in a small area of good land would be raised by a change among many farmers from vegetables to a more profitable crop of tobacco. Yet here the rent of tobacco land would not raise the price of tobacco if it were grown more expensively elsewhere, but would raise the prices of the vegetable crops displaced, and not to be supplied except by costly shipment. As the price of nearly every article is made up of a long chain of costs, from the raw material producer to the consumer, rent at some point enters into the cost of most things,¹ and to an im-

¹J. A. Hobson, "Economics of Distribution."

portant extent in cities and in crowded countries like England. There the demand for land and its scarcity, raising rent and lowering wages by forcing occupancy to poor soil and poor locations, may give rise to rent on the very worst land in use. Even in the entire world there might conceivably be no habitable free-rent land if population became sufficiently crowded.

There Can be No Escape from Rent where more than one person wants the land, nor from value attaching to land, nor from land ownership. The fact that land is a free gift from nature makes no difference. Price of a commodity already in market need have little relation to its cost. Gold picked up on the surface is worth as much as gold hoisted from the depths. Value of land, as of all else, depends upon limit of supply. The supply of land seemed unlimited in America, but as population spread westward all land of any fertility and accessibility took value, into which its utility to man ripened as soon as he had a desire for it and could take possession. With everything of value use by one excludes another, and there is always an owner. When land was not owned individually it was owned collectively, by the occupying tribe. Under civilization every kind of transferable usefulness or service has a value in money. Land's yearly usefulness fixes its rent and its value. The value is approximately such a sum as at prevailing interest will yield the rent, being also affected, as are values in general, by considerations as to probable future changes.

The Unearned Increment is a term applied to that increase of land values that arises, not from improvements or any acts of the owner, but from growth of population and progress of society. Hence, by the owner the increment seems to be unearned. In the case of the choice business lot that was sold in Chicago in May, 1901, for \$1,000,000, which doubtless could have been bought in 1840 for \$100, all of its high selling value now is often thought of as unearned increment except the \$100 we will assume it cost at first. Of course, on this principle the whole value of every piece of American land is unearned if measured from a time, not very far back, when land here had no money value at all. Large increase of land value arises chiefly in cities, but farm land also, wherever there is growth

of population and of wealth, tends to rise in value at about the same rate as that growth.

Henry George's Proposal. As the unearned increment is caused by the advance of society, Henry George and his followers have urged that the whole people collectively, instead of the few land owners individually, should receive the benefit. This result would be attained under the earlier socialistic plan of state ownership and management of all land, all capital, and all business, and by Mr. George's recent plan for taking all land rent in taxation. His well known book, "Progress and Poverty," published in 1879, and circulating to the extent of more copies than any other book on economics ever written, was eagerly read by many persons with a hope that the chief cause of poverty, and a practicable cure, had at last been found. Reasoning that progress in the growth of society increases demand for land and raises rent, giving more and more of the annual product to land owners and causing poverty to other classes by leaving less of the product for them, he argued that society should support the government by taking in taxes all the economic rent of land (not of its improvements), and thus remove the burden of all other taxation. He was socialistic in advocating government ownership or nationalization of land only, desiring to leave as at present private ownership of capital and of industry. Also, he was socialistic in his grossly extravagant and untrue belief of the extent and increase of human misery under present conditions, and of the benefits to be secured by adoption of his plan.

That Poverty Might Indeed be Abolished effectually seemed very plausible in the change proposed. Entire release from taxation of all values produced by labor and capital—land fertility, buildings, machines, goods of every kind—would stimulate industry prodigiously. Land improvement and railroad building would place the country's resources in the best possible condition for the use of man. On the one hand, cost of living would fall, not only from increase of commodities, but also from removal of tariff and other taxes that now form with most things a large part of the retail price. On the other hand, an unprecedented growth of business would provide employ-

ment for all who wanted it, and at wages rapidly rising. Increase of capital and fall of interest would so multiply untaxed dwellings that every worker who made a worthy effort could have a good home, and the public's ample income from land rents would provide all the schools, asylums, parks, and other services required for the highest possible well-being of society. Instead of the worker having dependently to seek an employer, the employer would have to meet the terms of an independent worker, since the impossibility of holding land out of its best use, to reap a rise in its value, would so increase the available supply of land, and lower its rent, that with his ample savings each worker could engage in production for himself. This dazzling portrayal of human welfare Mr. George brought out, in a style of writing rarely equalled for attractiveness, with an exaggerated contrast of conditions under the present system of private ownership of land; claiming that despite all the inventions demand for raw materials causes the rise of rent to do more than keep pace with progress, soon curtailing the plentiful living of workers on the cheap land of the frontier, and bringing wages everywhere, under an inevitable iron law of rent, down to the level of bare subsistence. If his portrayal were true, of the suffering and doom calling for reform, and of the elysium to be brought to earth by his remedy proposed, no one perceiving the truth could rightly hesitate to join his movement.¹

But the Plan Proposed Was Fatally Defective, as was promptly pointed out by economists. First, for a change of land tenure there is no such need as Mr. George claimed. To such dependence people could be reduced only on an island from which there was no escape, and on which the landlords

¹A wage worker, he said, would "no more worry about employment than air to breathe;" would have "no more care about physical necessities than the lilies of the field." This anticipation alone would be, to the average practical man, sufficient to stamp the proposal as chimerical. That men should desire opportunity to work—to endure the curse laid on Adam (a desire mentioned by Mr. George and by socialists as evidence of wrong conditions)—is no stranger than that a farmer should be glad to be overwhelmed with the labor of handling a large crop. Very light thinking shows that work is wanted because it is the only available means of obtaining the goods it produces or earns.

were a class of superior ability, acting together as a compact monopoly. Then there would be grave truth in the statement that the owners of the means of production own the other people, whether or not the latter are called slaves. But the case is very different where people have the knowledge and capability to make use of their opportunities. Second,

Progress Does Not Bring Poverty, nor even in a crowded country does an increase of population with which progress at least keeps pace. By reason of invention of machinery and opening of new lands, wages in commodities consumed have practically doubled during the last half century in all the progressive countries, despite an increase of population never before equalled. Wages are generally highest in those cities where rents are highest, not simply because high rent raises the cost of living, but also because there it is that labor as well as land is worth most to the buyer. The growth of business and population that raises rents is desired by wage workers, for the sake of increasing employment and rising wages, as well as by the owners of land to be thus raised in value. The very high wages paid at the opening of a distant mining settlement are for but few workers, and by dangers and costs are often reduced to less in commodities enjoyed than the smaller money wages of older places. If the mining town grows large, its money wages may remain undiminished, after the dangers and costs have mainly disappeared. It was true in pioneer times that easy access to free land set the wages of farm hands at what their labor would secure in farming for themselves; but since then, in progressive frontier regions, the growth of business and of labor demand has raised wages far above that amount for all workers except the few that are well capable of independent farming. Poverty, or slowest improvement in condition, has come, not to those districts and cities where growth of industry has raised rents and land values most, but to those where these have risen least. It was in former times in Europe and Asia, when in getting a living there was little or no progress, that growth of population, by raising rents, increased poverty. Progress has not brought poverty to any except the few who have failed to keep up—to farmers who have not adapted their crops to changes in demand; to workers displaced

by machinery who have surrendered without proper effort to find and deserve the work awaiting them in new industries; and to the pitiable poor who helplessly crowd into the slums of cities, where they want to live but where they are not wanted to work. And in these cases the loss to farmers and wage workers as producers has been greatly overbalanced by the gains of cheapened production for a much larger number as consumers, raising the average welfare of the people as a whole. That life came to us in the present period, instead of at any other time to be selected in the past, is felt by most persons to be one of their main reasons for thankfulness. The manifold advantages of civilization greatly outweigh the disadvantage of rising rent.

Sometimes a Decrement of Value. Third, the progress of society in improved transportation in later years, especially since Mr. George wrote, by giving easy access to rich vacant land in distant regions, and thus reducing prices of products, has lowered rents and land values in older states and countries. If farming land in England had been bought thirty years ago by the government, as proposed then by Mr. Mill and the Land Tenure Reform Association, later progress and growth would have been accompanied, not by an unearned gain, but by a paid-for loss. Shrinkage of land values, from agricultural depression, has been a prominent fact in all the American states except a few of the newer ones, in which such values had not yet risen far. In 1871, when Mr. George's ideas first took form, and when land tenure agitation was being carried on in England, there had been a long and steady increase of land values, broken only now and then by short periods of business depression. If fall of rent in the older regions is fully balanced by rise of rent in the new, and by the rent income collected in dividends on the monopoly value of new railroads, the change is at least a benefit to society. Land value and rent in some form are as inevitable as use of land for production, and it is mainly by reaching through cheap transportation the world's entire supply of land that rent and land scarcity are to be brought toward the minimum. Progress also lightens demand for land by developing better methods of culture and better crops, and by turning to use the products and powers of nature that previously went

to waste. Minerals from greater depths, and of poorer qualities, are now utilized that were worthless under the methods of ten years ago; electric power generated from water falls is now being extensively used instead of steam from diminishing stores of coal; while Portland cement, stone, and iron will take the place of wood as it grows scarcer. For taking from the earth's limited resources the pressure of a growing population's needs, the possibilities of progress are of course incalculable.

Could Not Give Freer Access to Land. Fourth, in the necessity for land it seems that the right to it ought to be as free to every person as the right to air and water. But the difference is that the land desired is limited in quantity, and hence is not free but bears a price, as is the case to some extent with water in cities, and also with the air and view on high ground soon appropriated for residences. Under state ownership, or Mr. George's single tax, it is unlikely that people's access to land would be, to a noticeable extent, more easy and free than at present. In America there is no driving of peasants from their fields and homes to make parks for hunting, as in Great Britain; and the holding of land by owners from use is noticeably harmful to the public in perhaps no cases except with monopolized mineral and timber areas that the ordinary man needing land could not use. If all land titles were annulled, and an equal share of land allotted to every person, whether he could use it or not, desirable pieces would bring rent as before if holders were not deprived of liberty and required to keep their allotments, whether satisfied or not. If the government charged rent proportioned to desirability,¹ the present system would remain unchanged; if it charged the same rent for all

¹This it would have to do, to avoid favoring those on good land, to the unjust disadvantage of others; also, this would be necessary, in the absence of socialistic production by the state, to put into the hands of those able to use land the shares of those in the many occupations in which no land is required. With the rent collected the state could pay general governmental expenses, and thus serve all alike. Allotting land of varying quality in tracts of equal size, involves injustice, and the demoralizing chances of gambling. Heirs to a farm usually sell it, often to one of their own number, and divide the proceeds with exact equality. Dividing the land itself, the good into smaller shares and the poor into larger, allowing also for the buildings—is almost certain to result in dissatisfaction.

land, a person receiving a poor allotment would pay rent to another for the right to occupy his better allotment. If ownership accompanied the allotment, and the right to buy and sell remained, land would in time be as unequally divided as at present, as would be the case with wealth in general, if equally divided in some Utopian scheme. Some people, by nature, can save nothing, while others can save everything; some can produce much, others little. So far as inequalities are thus caused, to complain of them is simply to complain of the Creator for having made mankind as it is. The general effect of the present system is to place land and capital in possession of those who can use them best in producing goods and services for society. The course to pursue is not to attack the system, and thus endanger civilization, but to rid it of wrongs, which will continue to need guarding against under any possible enlightenment.

Would Any Public Benefit as an End Justify Robbery as the Means? Taking all the economic rent of land in taxation would practically be taking the land itself, since its value springs from its rent, or the worth of its use; though Mr. George would permit landlords to continue calling their own, and occupying, such portions of their present holdings as they were willing to pay rent upon to the state. Of course, if the state owned all the land it would get an enormous income in rent, with which, after abolishing all present taxation, it could do wonders for its citizens, in education and social betterment of every kind. But how could the state get possession of land now owned by private parties? To buy it would involve, for purchase price and for interest on bonds, taxation that would be better for direct income than would the rent. Mr. George argued that land should simply be confiscated; that as the chain of land ownership includes conquest or robbery at some time in the warring ages of the past, justice would not require payment by the government to the owners dispossessed, who should bear all the loss like persons who buy stolen goods the owner recovers, and like purchasers of land with a title soon proved to be defective.

But Could Land Robbery be Made Successful in This Age—setting aside the matter of right and wrong? Not among

a people enlightened, or aggressive in character. In barbarous times the common practice by which a conquering tribe helped themselves freely to the lands of the vanquished, and reduced many of them to slavery, was expected and acquiesced in by the latter, who would have followed the same policy had they been the victors themselves. But civilized people of to-day, under their experience of freedom, would soon pine away and die if subjected to hopeless slavery like that of ancient times ; and as far back as several centuries ago, when the conquering English divided up the land of Ireland, men's ideas of justice had so developed that the sturdy Irish never became reconciled, and never will until by means of government loans on easy terms—a plan soon to be put into effect by the British Parliament—the tillers of the soil, the descendants of the robbed, have displaced as owners the absent landlords, the descendants of the robbers. And this was true though the Irish fared better than their neighbors, in being left longer undisturbed, though the dissolute character of the Irish landlords, and the draining off of the rent to be spent in other countries, impoverished the Irish tenants, and made the results of their conquest by far the worst. The Welsh, subjected by the English several centuries earlier, accepted the situation, and united with their conquerors, as did the Saxon English a short time before when despoiled of their lands by the Norman French. In the present age it has been customary to force or cheat barbarous people out of their lands, as in the case of the American Indians ; but such a policy is not thought of by the British in their recent conquest of the Boer republic. On the contrary, the hardy Boers are conciliated with large appropriations of money to repair their losses in the war, that they may become prosperous and loyal citizens, instead of a turbulent body to give trouble for generations. Too obvious to be considered would be the political impossibility of enacting in America a law for confiscating the titles and rents of the numerous and powerful class of land owners, who here comprise, with their families, perhaps a majority of the people, and consist mainly of the purposeful and capable, including most men of all grades carrying on independent business, and a host of home owners among wage workers ; and too improbable to discuss would be the expectation of such confiscation

being so acquiesced in by them as to admit of its being carried out by any government.

That the Smaller Land Owners Would be Benefited by Mr. George's single tax is claimed by its advocates—in fact that all would be benefited who are interested in active business rather than in an idle receiving of rent. If this were true the proposal might be practicable, since idle receivers of rent are not numerous in America as in Europe. But the magic effect on production could not take place. Rent would exist as before, and the difference in ease of access to land would not be noticeable. Whatever the government obtained would still come out of its people's product, and imposing on land owners alone a tax not to be shifted would be so contrary to accepted ideas of justice as to check industry far more than do the taxes of the present, however wasteful the latter may be in cost of collection, and however unjustly they may fall in higher prices on consumers. In nearly all cases the confiscation would rob innocent purchasers, who had paid full value for land, and had been in no way implicated in (nor had even gained from by inheritance) conquest or robbery in the remote past, or in land swindling schemes of later times. In many cases the landholder's purchase would be so recent that no unearned increment would have had time to accrue. The fact that perhaps all cases of civilization were anciently based in part on the spoils of tribal wars, does not affect the righteousness and public advantage of peaceable possession to the present generation. Indeed, conquest in barbarous times was right—was even the people's duty—so far as they knew no better, and followed the instincts and experiences nature had given them. More blamable now, under the light of the accumulated wisdom of the ages, would be a small departure from justice taken knowingly. Law principles well settled as just give rights in some cases to the innocent purchaser, for a valuable consideration, against previous owners defrauded, and limit the time within which an old claim may be enforced. Especially does continued possession strengthen a defective title to land. Society has learned that justice and well-being are better promoted by letting an old wrong go uncorrected than by permitting a new one against a present possessor not personally in fault, or whose fault is over-

balanced by the claimant's neglect in delay. If it were not for the sense of justice, that would prevent the sudden confiscation of land values, men would not have sufficient confidence in social order to accumulate capital and maintain civilized industry.

How the Increment is Earned. The increment of land value, on the average, is well earned, and falls to the owner rightfully. A man invests in land, and in its improvement (even when the main object is to use it himself or to get the rent income), with the hope that at least its value will not fall, and usually with some hope of a rise. A part of the rent or crops obtained is interest on the money capital invested in buildings and fences; the remainder serves as interest on the money capital invested in the land itself. Thus the annual rent income at first is obviously just, since capital exists for the sake of income, and since the owner could get such an income by using his capital in some other way. But what entitles him to the value's increase? This increment of value, and of annual rent, he earns by bearing while it accrues the risk of loss. Why do men move so cautiously in buying land? If its ownership were so sure a source of gain as Mr. George assumed, there would be little need for caution. The fact is that all chances of rise or fall in value are considered in making the price. The increment coming after a while to the buyer, all other possible bidders had a chance to get by offering more. They decided not to invest for it, because they thought the chances stronger for a loss, or for a gain too small. On the average, the losses from investment in real estate reduce its gains to the level of gains from other equally desirable investments. This must be so, at least in the opinion of investors, or more of them would turn their attention to real estate, and by raising its prices lower the rate per cent of annual return in rising value. In perhaps every kind of investment there is some chance of unearned gain,¹

¹**All Values are Socially Created** of course, arising from the presence of a society of people by whom the article is wanted, and all values are continually changing with changes of supply and demand. Land differs from most other valuable things in being generally less capable of increase, and in its remaining in existence if taken care of, though its importance in these respects is shared by an established business, which is increased in value by growth of population, and which cannot easily be duplicated. The chief cases of unearned increment of value in a business are monopolies connected with land, such as railways and mines. But in view of the

balanced by a chance of unavoidable loss. The current market prices of corporation shares, wheat, cotton, and other things largely dealt in besides land, show what buyers think about these chances at the time. The whole system of ownership is thus made just. If one kind of property promises special gains for the future, its price rises, and sellers now get the present value of what is later to be realized. In estimating values the only judgment worth considering is that which is backed with an offer of money.¹

The Service of Owning Things. Moreover, a man renders a valuable service to society simply by *owning* vacant land that state's right to tax and to take land, and of the better use of land brought about by its private ownership, there was no force in Mr. George's contention that it is right to allow the owner the future increase in value of labor products, such as a stock of wheat, because he is thus induced to provide a supply for society's future needs, but that it is wrong to allow him the increment in value of land. For land that is wanted there must be an owner, and where its private ownership is permitted its present prices cover as justly as with wheat the probability of future increment. How far an article's value arises from scarcity due to the necessity for labor in making it, and how far from scarcity due to limits in nature's materials, is of little consequence. With most things, including improved land, value arises from both these sources. The socialist claim, that only that value is just which is due to the former source, is abandoned by Mr. George in favoring private ownership of increment with wheat.

Other Ways of Earning the Increment. Where increment of value is largest and most rapid, as in Western cities, the owners earn it, to an important extent, by their enterprise in building up industry and trade, by which population is attracted. There is much sound achievement in this line, aside from offering bonuses as bribes for removal of factories from other towns. In most places the leading real estate owners partly earn the increment by risking capital in buildings, by opening streets, and by generally promoting the city's growth. Under Mr. George's single tax there would be little or no effort to grade lots or build up the city, unless undertaken by the state. Increment would be taxed away, but loss the individual would have to bear himself. This, it was said by F. A. Walker, would be playing by the state on the principle of "heads I win, tails you lose." Furthermore, the earliest settlers, who gain most of the increment, are the persons who by taking largest risks and dangers have done most toward creating it. It is right that the man coming last should pay for value already existing toward which he has contributed nothing. To gain much of an increment the owner doing least to build up the city, who contributes simply his presence, must have come early and borne long the risks and burden. Increase of value is largely paid for in assessments for paving, etc.

may be needed later. The attempt of single tax speakers to make light of the "holding" of immovable land is superficial. It is a burden that must fall on somebody. To own and hold for the future anything not in use is to do without the income the capital in it would bring otherwise, or without the present satisfaction to be obtained by spending in personal consumption the money it would sell for. If there are to be any vacant lots in a city, some persons must own them, since simply the probable future need for them would give them value. The healthfulness secured by spreading out a city, the division among more owners of the increment of land values, and especially the lowering of rents at the center by expanding the business area,—vastly overbalance with benefit the slight evil effect that holding of lots vacant has toward making farm land scarcer.¹ What else but the increment of value is to reward owners of vacant lots for their postponement of income or enjoyment, as well as for their payment of taxes, and for their risk that the value they hold may not be increased but diminished? A note for \$100 payable without interest a year hence, however well secured, would be worth now not over \$95 or \$96. Present goods are worth more than future goods, since the usefulness of capital is partly measured by time, like the hiring value of a horse. If private owners did not exchange their capital for vacant lots, and hold them until needed, society or the government would have to hold them at public expense, and at public risk of decline in value. The expense would include loss of the taxes an owner would pay, and loss of interest on the value of the lots.² Though the government had owned them from the

¹Also with land outside of cities it is best that the settlements be scattered as at present, and a wide area thus made accessible. In this way labor and capital are applied where they bring largest returns, and the increment of value is diffused among many communities. If the total of all increment and rent are thus made larger than they would be if settlement were more compact, the use and enjoyment of land are made larger too.

²**Losses from Land Owning.** To keep up with interest at only five per cent, selling value of vacant land must double in twenty years. In but few American cities, except perhaps in the central business blocks, would vacant land have sold for as much in 1900 as in 1890. At many places, since the rapid growth between 1870 and 1890, men have paid taxes a dozen years at a time, without a cent of yearly income in rent, on outlying lots which cost

beginning, its non-acceptance at any time of the money they would sell for would be the same as then investing that amount. This service of owning things necessary to society, such as surplus supplies of wheat and cotton, and permanent railroads and factories, is the basis of legitimate speculation. The importance of the service is clear in the case of a man of small capital absorbed in business, who finds it cheaper to rent a home than to pay taxes and insurance, keep up repairs, bear depreciation from decay, do without the interest the money invested in the house would bring, bear the risk of a decline in its portion of the city, and be unable to sell quickly in case of need for the money. Besides taxes and ordinary repairs, a considerable part of the rent of a dwelling in the prosperous American cities and towns is required to balance depreciation from the erection of houses of newer style. Many a sound house, frame or brick, which thirty or forty years ago was a triumph in building, is now fit for little but to be torn down, or moved out into a cheap quarter. Such depreciation is one of the costs of progress, and does not appear in stagnant countries. In owning costly things that do not depreciate, such as diamonds and paintings, there is at least the burden of doing without the capital invested in them and its interest.¹

them \$1,000 or more, but would not now sell for as much—not mentioning many thousands of cases in which land bought at prices boomed fictitiously high dropped soon in value until but a fraction remained. The best vacant lot for a residence in Jackson, Mich., a growing and solidly prosperous city, has been held at \$3,500 for ten years. Here, aside from taxes, the annual loss from interest is about \$175. Adjoining Jackson a tract of scrubby timber land, yielding no income except a little for pasture, was sold in 1902, on which one family had paid taxes for over sixty years, to a total a number of times greater than the final selling price. In those few rare spots, such as New York city, where land values increase steadily during good times and bad, it is bold expectation of future growth that raises them so high. The increment is thus well paid for in advance. In England, and in the American states east of the Mississippi, a matter of serious complaint with owners of farming land, during the last twenty years, has been lack of increment, with generally a positive decline in land values, caused by cheapened production of farm crops in the newly opened Northwest.

¹**The Poor and Ignorant Easily Imposed Upon in Rent.** It is among an intelligent and capable people that the owner's rent is well earned. Such people take advantage of competition among landlords, and seek out the

The Landlord is Not a Parasite, therefore—he does not, as socialists and single taxers assert, take under the law of private ownership a large share of the product of the laborer and of the employer without rendering any return to them or to society. In the ways explained above he fully earns all he receives in rent where taxation is just, and where the people he deals with know how to take care of themselves. But it is true that these conditions have rarely prevailed. In most countries, ever since the beginning of history, as explained in the preceding note, the common people's ignorance and dependence have generally kept them under a parasitic burden of landlordism.¹ And if they lowest rents in reach. Economic laws, to work satisfactorily, require people who know how to take care of themselves. This is necessary to the just working of competition in any kind of buying and selling. Landlords in Ireland sixty years ago charged more rent than a fair interest on a fair value for the land, which tenants had to pay, up to the point of having left but a bare living, because ignorance, poverty, and over-population kept them from finding cheaper rent. The way of escape they finally learned was emigration to other countries less crowded. Too much rent is now paid by helpless people in the slums of large cities. Law and philanthropy are purifying the slums, because the people there are too ignorant and poor to get out of them. On the contrary, among people of a higher grade, especially city merchants, the landlord himself must provide a building of the kind desired, and keep it in good condition, or it will lie vacant, or its rent will fall. In the case of dwellings in small American cities, it is very often the landlord that deserves the sympathy, not the exacting tenant. Many of the owners of dwellings rented are far from being rich. Custom and public opinion often require a landlord to be content with lower rent than he might obtain from poor and ignorant people. This is especially true in Continental Europe, where until comparatively recent times not only custom, but in some cases law, had much to do with fixing rents, wages, and other prices. Under the law of 1881 in Ireland, to save tenants from exploitation by the agents of absent landlords, courts lowered by an average of 21 per cent the rents of 335,000 tenants, and later, for 70,000 of these, lowered the rents an average of 22 per cent more.

¹**The Worst Case of Parasitism** was Italy under the Roman Empire. By reason of the continual inflow of slaves taken captive in conquered lands, the common people remaining free at home became superfluous, until finally the despotic imperial government, to keep them quiet, fed many of them with free bread and amused them with free games, conducting itself most of the industries, but not under the equality for all hoped for by the socialists. Thus came about the result recorded by Pliny in the sentence, "Large estates ruined Italy." The wealthy, being debauched by luxury and corruption, and the poor by idleness and uselessness,

themselves had been the owners of the land they tilled, some other parasitic burden would have been settled upon them, as land-owning peasants in the Republic of France, and in the Empire of Russia, are now overtaxed to support a horde of officials and soldiers, and as the American people, despite their unequalled intelligence, are now exploited by monopolies in trusts and railroads. Men of insight would rather take their chances of justice in renting of separate and competing landlords than of the bureaucracy of state land officials that would be necessary under Mr. George's system. It will always be true that they who would have freedom must themselves be continually able to maintain it. Even in a family of brothers and sisters, not lacking in affection, some of them (often the strongest), who by nature neglect all the work they can, and claim the most when something is to be divided,—thus exploit the others (often the weakest), who by nature try to be as helpful as possible, and in a division choose the worst for the sake of the former's benefit. The self-reliance and intelligence developed in the experience of the American people, together with the wide area and rich resources of this country, have secured for them, with many other benefits unknown elsewhere, all the advantages of private ownership of land, and have saved them from most of its evils.

The Element of Soundness in the Single Tax Agitation of Mr. George, which is still kept up by a few persons in the United States, is that land, apart from its improvements, should be taxed on an assessment placed at or about its full selling value, the assessment increasing as value increases. This is approached in the Australian practice of assessing vacant lots for taxes as near real value as lots built upon. The general practice in American cities has been to assess vacant lots very low, much farther below real value than lots containing houses. This difference of assessment is condemned by economists, for the reason that it encourages an owner to hold vacant land needed by society out of the market, in order to profit from a rise of value brought about by more progressive action on the part of

Italy was easily over-run by the untainted barbarians of the north. Since then in Europe decay under parasitism has always been stopped in some way before proceeding very far.

others; and discourages service of society by erecting new buildings, which at once causes a rise of assessment more than proportional to the building's cost.¹ The motive for assessing outlying city lots low was doubtless good, due perhaps to the fact that no yearly income was derived from them, that during long periods there was no increase of their value, and that few of their owners held them unduly out of market. But placing too low an assessment on vast tracts of unused mineral and timber land has long been decidedly harmful to society, enabling men to partially monopolize scarce materials, and exact unjust prices for them, by keeping competitors away from the few sources of supply. If such land were assessed at full value, the taxes would be so high that it would not pay to buy it up for holding out of market with excessive price, or to delay its development.

Reform of Taxation is now being pressed zealously and somewhat successfully in a number of the states, with especial effort to raise up toward full value the assessment of railway, street car, and mining property, with all of which, being natural monopolies, the unearned increment tends to become exceptionally large. Assessment of real estate in New York city was lately raised to full value, having previously been about a third less. In Massachusetts, full value assessment has been common. Farming land, it is believed, has generally been assessed too high, since its decline of value after 1880. To raise the assessment of mineral and timber land, of vacant lots in cities, and to a less extent perhaps of occupied city land also, seems in America therefore to be the chief feature for the present in land reform, made so prominent for a while by Mr. George. To do all of this is now the effort in some states.² To avoid injustice

¹Hadley, "Economics," 132.

²**Exemption of Land Improvements from Taxation** is another change urged by Mr. George that is growing in favor. The Australian practice of permitting counties and towns to exempt buildings and improvements, taxing the site value of the land alone, has lately been considered in Colorado and Massachusetts, with prospects of adoption. In Manitoba all improvements on farming land are exempt. Queensland practically exempted improvements by an act of 1901. This is the rule in many towns of New Zealand and British Columbia. Ontario's practice of permitting cities to exempt factory plants and machinery, in order to gain new industries, has

to owners, especially recent purchasers, whose expectation of low assessment raised the purchase price they paid, the raise of

been followed in many cases, during the last twenty years, by American state legislatures. In Great Britain three hundred local rating bodies have petitioned Parliament for power to confine taxation to land values as they would stand if unimproved. This reform is part of the Liberal party's program, and is favored by many of the opposite party. To support it, most of the Scotch members of Parliament are pledged. (*The Independent*, Sept. 11, 1902.) Germany, in her new Chinese colony of Kiaochau, levies a single tax of six per cent on land values, with reassessment every three years, exempting buildings and all other property.

Use of Land in Ways Contrary to Public Welfare has long been an abuse in Great Britain crying for state intervention. In Ireland and Scotland, and in recent years, land-owning noblemen, to make parks for game, have evicted or removed tens of thousands of tenants from land that the latter and their ancestors had lived upon for generations. The Duke of Sutherland's estate in the Scottish highlands comprises 1,200,000 acres. Such action is encouraged by the British custom of taxing vacant land according to the income from it, not according to its selling value for its most profitable use—a custom which has also been the cause in part of the passing of a large portion of British land from tillage to pasturage. Though under such taxation pasturage may yield most net profit to the owner, it yields a smaller product of wealth to the country, and gives support to fewer farmers and laborers. To these changes in use of land are partly due the crowding and poverty in British cities. In New South Wales and New Zealand taxation of land at its full selling value, without regard to its use or income, has forced owners to devote it to that use most beneficial to society. (Max Hirsch, "Democracy vs. Socialism," 430.)

The Land for the Sheep Instead of the People. In these two colonies sheep and cattle raising on wide areas of the best land, monopolized by landlords, had forced farm settlers far out on to land less fertile and less accessible, thus lowering wages and profits in farming, and reducing the annual product from which the country's people must live. On the western frontier in America the stock raisers kept back farm settlers for a while by violence, and by fencing in great areas of public land without legal right; but by the large movement of farm settlers, and by the President's recent action against the trespassing cattle kings, free pasturage on public land will soon be a thing of the past, and many thousands of square miles will come under cultivation by occupying owners. In Great Britain a growing feeling is that the harmful privileges of landlords there must be curtailed by taxation. Most of the burden of taxation was removed from land in 1692. The landlords had complete control of Parliament until the rise of the manufacturing and trading classes during the first half of the nineteenth century; while the common people had little influence until after their admission to the right to vote—in 1867 and 1885. The people are improv-

assessment would need to be gradual, as it is proposed to make the imposition of the single tax. Taxes on land cannot be added to rent, as the supply of land is fixed, and cannot be decreased like commodities in order to raise price. A tax on city land must therefore be borne wholly by the owner. But a tax on buildings, if it lowers too far the rate per cent of net rent on their cost, is shifted on to tenants by its effect to check building until the demand for houses raises rents sufficiently to balance the tax—to a level of net income on capital equal to that prevailing in other lines of investment. Neither can an extra tax on farm land be added to prices of its products. Demand for them would be unchanged, and the farmer would need to grow as many as before to get the same gross income. The burden of extra tax would fall mainly on those whose assessment had been increased, being lessened somewhat by the effect of the extra tax to lessen their land's value.

Taking the Future Increment of value of city land for the public (not the past increment), the German economist Wagner has been inclined to regard with favor.¹ The property rights of land owners this would affect only so far as present selling value is based upon expectation of future increase. But simply taxation on an equitable assessment seems to be in America the sufficient and only practicable means of guarding against injury to society from private ownership of the increment. By the shrewdest judgment of owners and buyers, and with what seems to be the greatest possible justice to present and future generations, the increment yet to come is calculated and added to present prices, and by taxation is or may be shared by the public now. The private owner's right to future increment is the strongest motive for his investment of capital in improving land, and for his efforts to promote the community's prosperity.

erished, and the state weakened, by their separation from the land, in whose cultivation they would support themselves and add to national wealth. Wherever landlords follow a policy injurious to the people as a whole, public welfare requires that private ownership be closely restricted by law. If peasants are living upon land so much better suited to grazing than to farming that their labor yields a poor return, justice requires that they be not forced away by heartless eviction, but educated and thus led away through their own interest to better occupation elsewhere.

¹Hadley, "Economics," 473.

The field in which the people must now secure to themselves future increment, by means of strict franchises and outright ownership, comprises street railway and lighting service, bridge and dock sites. Also, government ownership of forests and mines, not uncommon in Europe, will probably come in time in America. With them the increment will be large. For public ownership of other land privately used, there is evidently in this country no need, and no desire except from a very few impractical theorists.

Government Ownership of Land, with leases to occupiers, or restrictions on its private ownership, are necessary in some circumstances, to prevent it from being monopolized, and the common people from being exploited. Under the laws of Moses, to save the ignorant and imprudent from being dispossessed of their homes by the cunning, land could be sold for only fifty years, the title then returning to the previous owner or his heirs. It is now felt that the United States must retain ownership of much of the public land of the Philippine Islands, and be cautious in granting franchises there to corporations. This policy is being followed in the laws enacted for these islands by Congress. Oppression there hitherto seems to have arisen in part from monopoly of land. Experience in India and Java shows that if European and American speculators are permitted to own large tracts of land in the Philippines, the simple-minded natives will soon be tenants—almost serfs, bound to the soil by poverty and ignorance.¹ The vicious land system of England, the concentration of its ownership in the vast estates of the few, grew out of its division among conquering nobles, in 1066 and later, and from a number of gradual changes by which ownership fell to a few great landlords, collecting rents from occupying tenants. Traces of the original collective ownership by all the people of a tribe continued down until

¹Prof. J. W. Jenks, in *McClure's Magazine*, Nov. 1902, says the Filipinos should be allowed to sell land only on permission of the local authorities; that the state should give, on liberal terms, a lease to continue as long as the rent was paid and the land cultivated, rent rates to be revised at regular intervals. From the villagers of Java, who are children compared with the shrewd Chinese traders, the latter are kept away by Dutch law, to prevent ruinous cheating.

recent times. From 1709 to 1837 the British Parliament, composed of landlords, passed 3954 enclosure acts, granting the claims of landlords for 4,207,883 acres of commons, to which the people previously had had access for pasture and wood. In France, on the contrary, when the nobles were driven out of the country in the revolution of 1789, the land fell chiefly in small tracts to the occupying peasants. In Continental Europe generally, many peasants now own their little farms, though in most of the countries there are also many large estates. In New Zealand the fertile land was being monopolized so fast in large estates, as in many countries in different ages, that within the last ten years the government has been breaking up the estates, by taxing them at a higher rate than small holdings, and by purchasing them to sell in small tracts to working farmers.

Permanent Occupancy of Land is Necessary for Good Farming—to induce occupiers to plant orchards, to make drains and fences, and to enrich land by putting into it more fertility, by applying manure and farming carefully, than is taken out in crops. The prolonged labor and expense involved in such improvements a farmer cannot afford to incur unless he has a number of years in which to reap returns. Even though his lease were long, say thirty years, the tendency would be for him to take out of the land in later years the fertility he had put in during the earlier. In America a rented farm has usually meant an abused farm. Nothing short of permanent ownership of land, with the accompanying monopoly, will secure best use of it, especially when such use requires much capital in improvements. In Ireland now there is said to be a marked difference in appearance in favor of farms that the occupiers own. As a whole, English farming under long leases, often passing from the farmer to his son, was more successful until recent years than Continental farming by peasant owners; because the latter, usually poor, tilled with hand tools tracts too small, while the English tenant operated on a scale large enough to use capital with best results. But the uncertainties of renewing a lease, of allowing just compensation for the tenant's improvements, and of holding him to proper care of the soil, render ownership by the occupying farmer decidedly preferable,

both for him and for society, especially in view of the effect of ownership to develop industry, frugality, and general good citizenship. In late years spread of intelligence among the Continental peasants has put their farming ahead of the English, notably in Holland and Denmark, whose people's success in adapting their farming to changed prices and conditions should be an incentive to farmers of other countries.

Under Nature's Laws We Cannot Choose Our Land Tenure, but must have that system which our civilization requires, or otherwise incur penalty. In the hunting stage of savagery land could be held only by the tribe as a whole, which fought away other tribes from its game preserve. Next, in the farming stage there came collective ownership by the village, with allotment of land, first to families and later to individuals—first for one or a few years, then for life, and then with hereditary transmission to children. Next came full ownership by individuals as at present. In most of Europe there came, however, before the present ownership, five or six centuries of the military feudal system, under which the barons held large areas of the king, paying him rent by serving with their men in war, while the latter, for the land they occupied, paid the baron rent by serving as his soldiers. Military service was changed in time to money taxes from the baron, and to money rent from his men, though by continued occupancy in England some of the latter as copyholders became owners to practically the same extent reached by the baron and others holding from the king as freeholders. Allotment from the village is best for those who now have that system, such as the simple peasants of India and Bulgaria, who would be cheated out of their means of living if they were allowed to sell their land rights without obtaining permission from the village elders. In some of the mountain communities in Switzerland land allotted for five to nine years is said to be cared for still, under ancient custom, as faithfully by the occupier as if it was to be held by him and his heirs forever. In Scotland, however, where higher intelligence leads to clearer perception of individual interests, the first third of the usual lease of nineteen years is ordinarily devoted to recuperating land impoverished, but the last third to impoverishing it again, there being no certainty of a renewal of the lease, of

the rent rate after its expiration, or of a just allowance for the tenant's improvements.¹

Bad Results of Limiting Ownership. Not only does this trouble appear in Great Britain under leases of any length, but the practice there of perpetuating family dignity by settling landed estates in life ownership on all the living generations (not desired in America nor permitted by law to the same extent), withholding from each generation the power to sell,—has some of the bad results of leases. It leads the possessor for life to exhaust the land by over-cropping, or to neglect its improvements, especially when, all his children being daughters, the next heir is a distant relative, sometimes a person disliked. Also, the British law (with this custom of future settlement by will accordingly) giving all the landed estate to the oldest son, not only maintains aristocracy and tends to increase the large estates of the few, but it too leads the possessor to exhaust the land when besides the oldest son he has many other children to provide for. But limiting ownership in the other direction has bad effects also. The French law requiring equal division of an estate among all the children, and prohibiting the father from making a will otherwise, has checked growth of population, injured established businesses by their division, and lowered capability and success by keeping sons waiting for petty inheritances, and thus placing the people on tracts too small and irregular for effective farming. Of these tracts 2,000,000 are under 12 acres, and 1,000,000 between 12 and 25 acres.

Full Ownership is the Goal of Civilization, it seems, vir-

¹Article on Land, "Encyclopedia Britannica," 9th edition.

Evil Effect of Temporary Leases. Under a temporary license, revocable at will by the state of Maryland, oyster beds in Chesapeake Bay were rapidly exhausted, because, not knowing how long his right to a bed was to continue, a lessee had to consider the present, and not the long run. On the contrary, in Long Island Sound, where permanent possession of oyster beds was allowed, similar to ownership of land, oyster production increased, and became very profitable, but not at the state's loss. "The oyster growers of Long Island Sound have paid in taxes an amount far exceeding the total rental value of the oyster beds leased by Maryland for short terms." (Hadley, "Economics," 130.) In the case of Maryland the state kept its oyster beds and lost them. In the other case the state sold its beds and kept them.

tually unrestricted as in America. Under the land reforms in Ireland purchasing tenants become full owners, as Prussian tenants became when by the laws of 1821 and 1850 the common land of the villages was divided up individually, and the large estates compulsorily divided between the landlord and his tenants, the latter being enabled to pay the landlord, by means of state loans, whatever remained due to him above the money value of their rights to perpetual occupancy as tenants. In France the ownership was made similarly absolute, the price to the tenant being put very low, as the nobles were expelled and their land confiscated. In Russia full ownership by the peasants has appeared, but they are just now in the throes of transition, being hardly ready for the change. They are in the power of money lenders, from whom they borrowed to pay for allotments from their lord's estate since the abolition in 1861 of their feudal serfdom to him, and are also under the outgrown tyranny of the village, which still retains some of its ancient powers, and as members of which each male peasant received about 12 acres on the division of its common land. With the American Indians their pauperization and ruin under the free supply of government beef and blankets is now being gradually ended, by allotment to each of them of a farm, which, by being made inalienable,¹ is secured from the sharks who

¹Necessity for Easy Sale of Land. Why cannot the law be so changed that others besides Indians may be kept from selling and hence from losing their land? Because experience, whose teachings are first followed voluntarily in custom and then by law are made compulsory, has shown that under civilization those unable to buy and sell land without loss are unfit to make that good use of it which public welfare requires. By homestead exemption they are protected in case of debt without mortgage, but in transmitting land under American law it is only the next holder whose ownership can be limited to a mere life right, without power to sell; the next holder can be named, but from him the power to sell cannot be withheld. In England all successors living may be restricted to a life right, and the custom is for the next owner after them to repeat the process, in order to retain and increase family wealth and dignity. From absence of aristocracy and smallness of income from land rents, no such custom arose in America. Inability to sell is necessary with Indians, for only from land can they get a living. Ancient people were in the same condition, and hence the law, which (beyond the fighting power of one's self and relatives) is all that gives the right of ownership, modified that right and withheld the power to sell land. Now, on the contrary,

prey upon them, but otherwise they are soon to be left to unaided self-support, under which some of them have done well

Government Aid to the Landless. A system of public ownership, therefore, that makes the tenure of a tiller very different from that of an owner,¹ does not afford the large and varied product, and the character development, necessary to maintain high civilization. Division of tribal land, to be owned by families and individuals, came very early. Only thus could the with scarcity of land and many occupations open, public policy requires easy selling and full freedom of use by the owner, who is the chief gainer from using it well, and the chief loser from using it ill. In England transfer of land is so costly in lawyers' fees, with titles so uncertain, that persons who might buy small tracts are kept from doing so. The easiest transfer is that made under the Torrens or Australian system—now in force in Chicago and St. Paul, and spreading to other states—by which the county guarantees the purchaser against defect of title. Transfer of land will be greatly simplified by the new land for Ireland. New Zealand, to place her strangely dependent people on state land, and save them from monopolists, has perpetual leases at a fixed rent, by which she controls cultivation and transfer, and prevents speculation.

¹**The Self-Seeking of the Tenant is Not Wrong** when he is careful to get out of the land, before his lease expires, all the value he has put in. Progress for one's self, and eventually for all, requires regard from him for his own interest as far as his view penetrates, and when his rising ability releases him from the need of the village's help he can no longer force himself to be contented under its collectivism. The case is the same with American farmers' sons, who a few years ago thought nothing of working at home until of age, sharing equally with other sons of less ability, but who now would rarely be expected thus to incur personal loss. Likewise, men in business cannot be expected to engage in competition as formerly, when they now perceive its wastefulness and can so easily unite in pools and trusts. As individual ability rises, society's ability must rise accordingly, in trust and land laws adapted to the times. Evidently man is never to be released from the necessity of eternal vigilance. There is pathetic futility in the idea of single taxers and socialists that we can return to the idyllic simplicity of society's childhood.

Natural Rights. Sociologists agree on the principle that the various rights people now enjoy were permitted in the past, and became settled, not because they were *natural* rights, which a person ought to be allowed to possess without having to reason about it, but because their enjoyment by individuals was beneficial to society, and to all of society's members. Private ownership of land was thus allowed, and became in time a settled right, because it led to steadiest labor, best farming, best equipment of fixed capital in improvements, and greatest increase of food to be exchanged and supplied to the community.

Hebrew have sat under his own vine and fig tree. Before such ownership, it is likely as a rule that what trees people had grew wild. But in landholding, as in factory laws and municipal ownership of water works, the agitation by the socialists for public ownership of all land and all business hastened needed reforms. The advocacy of the extreme proposal of Mr. George also, though it, like the extreme proposals of the socialists, can perhaps never be adopted, has been very useful in calling attention to the need for reform in landholding and in taxation. The changes required by such reforms in ownership are not so great as they seem. Under the land law of England, as well as of America and other regions where the English common law prevails, the state is really the owner at bottom now.¹ In these countries the state has an unlimited right of taxing land, and of taking it (with compensation) for public uses. As the placing of a tenant in possession of land as its owner is a public benefit, since it improves his character and increases product and fertility, compelling the landlord to sell in such cases has been recommended in Great Britain, on the same principle upon which he is compelled to sell land at an appraised price for a street or a railway. In Ireland the land title limitation by which a court fixes a fair rent, secures to the tenant and his heirs unlimited continuance in possession so long as the rent is paid and the land properly cultivated (rent rates being fixed every fifteen years), secures to him the right to sell the lease, and secures to him just payment for improvements he makes,—would probably have been extended heretofore to compelling the landlord to sell land to the tenant if such compulsion had been necessary. Belief by influential opinion in the state's right and duty to enforce such compulsion has doubtless had some effect in the willingness of land-

1Holders of Land, Not Owners. "The crown has never abandoned the claim asserted in the statute of Edward I. [1272-1307] that all land belongs to the sovereign as representing the people, and that individuals *hold* but do not *own* it; and upon this sound and legal principle the state takes land from one and gives it to another [for public use, as in a railway], compensating for the loss arising from being dispossessed . . . The largest estate a subject can have is tenancy-in-fee; and that is a holding, not an owning, of the soil." None of the different forms of holding were hereditary in the earlier centuries after the Norman Conquest of 1066. (Joseph Fisher, 1874.)

lords to sell. But no compulsion more direct will be needed under the recent and practically unanimous agreement, by a great conventions of landlords and tenants, on a plan of selling voluntarily. Under Irish land laws passed by Parliament in 1881 and 1885, for assisting tenants to buy, land in small tracts has been bought by 72,000 tenants, whose loans from the state aggregate about \$115,000,000.¹

Back to the Land. In England also there will doubtless be an increase of the present means of assisting people to settle permanently upon land. Many of those of the English farming class who now flock to the cities, and swell the ranks of the unemployed, might live in plenty if more largely assisted

¹**A Final Settlement of the Irish Question** will be quickly brought about, it is believed, by a pending measure for complete reform in landholding, which seems destined to pass Parliament before the end of 1903, almost without opposition. By this bill, introduced by Mr. Wyndham, the little farms tilled by the remaining 400,000 tenants they are to be enabled to buy with loans from the British government, to a total of about \$500,000,000, the money for full payment in cash to the landlords to be raised on 2¾ per cent bonds. The purchasing tenant is to pay 3¼ per cent interest (much less than his rent), of which the excess over the bond rate will pay the principal in 68 years, making the Irish farmers of that time absolute owners of their land. On the \$500,000,000 of loans the government will lose nothing but the cost of carrying out the reform, but to induce the landlords to sell it is to pay them from 5 to 15 per cent above the market price of their land. This bonus, estimated at \$60,000,000, is to be paid to remove Irish disloyalty, which in the Boer war proved to be the weakest point in the empire, and which can never be removed by anything less than restoring the people to ownership of their land.

To Heal an Open Sore in Civilization. Besides this full return for the outlay, all the public costs of the reform are expected to be balanced not only eventually, but also annually, by reduction in the \$6,500,000 now spent to keep order in Ireland with 13,000 soldiers. The change of land ownership, it is believed, will make the Irish peasants as thrifty and as loyal as those in France. From loans on land purchases heretofore the government is incurring no losses. Irish shiftlessness was due to inability to get more than a bare living, rent being raised to take all else. The Irish famine arising from failure of the potato crop in 1846, in which about a million people perished, together with the frequent famines that have caused the death of many millions in India, China, and Russia (3,000,000 in India in 1900—10,000,000 a century earlier), came less from uncertain climate than from backward industry, and from living always too near the starvation line, with the consequent lack of a surplus for a bad season. (*Review of Reviews*, Feb. 1903.)

as in Ireland with small loans of public money (or with easy rents and terms of purchase) to set up for themselves on English land fast passing out of cultivation. Evidently something is wrong when a quarter of the population, largely from lack of employment, receive poor relief at some time, while a large and increasing area of fertile land is passing to grazing or lies practically idle. The capitalist farmers, who formerly tilled English land so successfully, can now, since the fall of agricultural prices, make more profitable use of their capital and ability in other business. But the land can at least be made to support many who might be set to work upon it. With the small amount of capital required, farmers of some experience, it would seem, might support themselves and meet easy payments toward ownership, whatever the cheapness of food imported from America and Australia. During the last few years some of the thrift and success of Danish farmers have been introduced into Ireland by means of coöperative creameries and agricultural societies, which teach new methods and arouse ambition to improve.¹ The New Zealand government's assistance of capable persons to farm ownership, by means of small loans and gifts or easy sales of public land, is said by Mr. Lloyd to have brought admirable results in most cases.²

¹*North American Review*, Jan. 1902.

²**The Beneficent Effects of Settling Laborers on Land** they can cultivate were well set forth by Lord Carrington in the *Nineteenth Century* for March, 1899. In a few rural districts of England hundreds of wage laborers have developed thrift and sobriety, greatly advancing the well-being of their families, by raising live stock upon, and cultivating in spare time, lots of an acre or more surrounding the cottages they rent; many have prospered as farmers on rented holdings of from four to forty acres; and some have risen to the position of owners of such holdings and of larger farms. Tracts of suitable size, for tenants and for buyers, are provided by well disposed landlords, by philanthropic associations purchasing land for the purpose, and by the local authorities under the allotment laws of Parliament. In buying land and in loans for this purpose the county council may use a limited amount from public funds.

A Movement Destined to Spread. At only a few places in England, however, despite the marked success described by Lord Carrington, has interest in this movement become active, either among laborers or among those who might assist them. But it is destined to grow, since nothing else promises so much for the good of the poorer classes. In Ireland it has

But Only Experienced Farmers, or those solid workers who reach some success at anything, can make use of loans and easy terms toward land ownership.¹ The Scandinavians and Germans who take up vacant land in America with almost invariable success know their business. Very few of the discontented socialistic class in cities, who make bitter demands for access to the land, could get a living from it if set up without rent and with a free equipment. Better things for them must come mainly from their own diligence, in effort to deserve and hold jobs, and to spend time and money with largest permanent results. No amount of social reform will soon change materially this old way of getting along. In the cultivation of vacant lots by the unemployed in cities, as done at Detroit in 1893-97, and as now done extensively at Philadelphia,² with seed and tools supplied by the poor department or by philanthropists, workers of socialistic ideas may get a supply of potatoes and other vegetables, but better yet, perhaps, they learn how small a return in money such labor brings, and how patient and industrious one must be to get a living at first hand from nature.

No Land Monopoly in America. For men able to get a living thus, there is no trouble about land monopoly in America—become important. Besides the purchase of farms mentioned above, there were in 1900 in Ireland 14,888 cottages owned by local government bodies and rented to tenants, each with land yielding sufficient to pay the rent; and during that year, under a new law, 8,000 more cottages were applied for, and \$10,000,000 appropriated for buying land and building them. The state's main reason for building these cottages in Ireland is the neglect of private owners to supply proper housing for the people, which is the reason why a number of British cities are building model tenements. *The Arena* of December, 1902, contains an account of a new and strongly supported philanthropic movement in England for starting factory towns in the country, in order to take the poor from city slums to places where they can have healthy homes at low rent, and where by gardening after factory hours they can get partial support and develop character. These methods of helping the poor to help themselves are perhaps the freest of all from pauperizing effects.

¹Unless others of lower capability live in a farm colony managed for their special benefit by able philanthropists, like the several very successful farm colonies of the Salvation Army located in Ohio, Colorado, and California. These are described in *Review of Reviews*, Nov. 1902.

²*The Independent*, July 31, 1902.

no need for assistance in government loans, as under Great Britain's costly land, low wages, and dependent people. Besides government and railroad land in the West, free to homesteaders or sold on long time at from \$3 to \$10 per acre, there is everywhere land for a rent of half or a third of the crop, or land to be bought low on long credit. The fact that price and rent of Western land have risen greatly of late is a desired indication; higher prices for products make the taking of a farm more remunerative now than it was when land was cheaper. A man able to raise a crop, and with a little capital with which to cultivate it, and live on while it grows, can usually get the use of land anywhere on a reasonable basis. Under the good wages and cheap living of this country, if he cannot first get this little capital, he will seldom be a man to be depended on to raise a crop. Ability to save or borrow capital is the surest evidence of ability to use it. Perhaps the best means yet employed to benefit the Southern blacks, who are experienced farmers, is to sell them small tracts of land on such terms as they can meet. Some companies doing this on a large scale are making good profits from their capital thus invested.¹ The increase of land owning among the blacks is the main evidence of their progress. The same is true of the increase of home owning among the working class in many of the states. Such landholding is unequalled in its effect to save wage workers from harmful restlessness, and to develop in them that industry, frugality, sobriety, and love of order upon which their own and society's welfare depends. The real estate owners are those whose stake in a community makes them the most solicitous as to its progress.²

¹*The Outlook*, Jan. 4, 1902, last page.

²**The Increase of Farm Tenantry in the United States** has been considerable. From 1880 to 1900 the number of farm owners increased 24 per cent, but the number of farm tenants increased 97 per cent, the rented farms now comprising 35 per cent of the total number. New York state, in 1900, had 28,669 fewer owners than in 1880, but 14,331 more tenants. Even in the new states of Kansas and Nebraska more than a third of the farms are rented. (W. J. Ghent, "Our Benevolent Feudalism.") To a large extent this increase of tenantry is to be desired, being due to the rise of wage workers to independent farming, in which many pass from renting to owning. Tenantry was increased also by the failure of many debt-ridden

owners during the agricultural depression of 1884-97. Constant effort, by the various public and private educational agencies, as well as by the state in legislation, will always be necessary to raise the people in self-reliance and capability, and to keep them from sinking toward the helpless dependence so common in older countries. Those who are induced to save money and acquire land will need the least bolstering up from society. If unused land is taxed at its full selling value, the tens of thousands of acres of mountain and forest in the few estates like that of George Vanderbilt in North Carolina, and that of Austin Corbin in New Hampshire, will probably not be added to until the neighboring people become the landlord's serfs. And if the various agencies for the spread of practical knowledge and of sound ideals do their duty, the capable farmers will become owners, and the few large tracts owned by foreigners or corporations and let to tenants in the South and West will probably not increase in size or number, but will tend to division among smaller owners, like the bonanza wheat farms of the Dakotas.

CHAPTER II.

INTEREST.

The Share of the Capital Owner. In the division of the product of a business, or of the money for which the product is sold, a share called interest is awarded to the owner of the capital—the tools, machines, and materials used. In gathering wild fruits from hand to mouth, there are only two factors of production—labor and land—the case with animals. The wood sawyer's capital, in his saw and buck, is indispensable to use, but so cheap to buy that the poorest user of them is also the owner; and his work is so simple, so easily found and so quickly paid for, that it may be called pure labor, involving none of the employer's management. But the poorest colored cropper in the South, farming other men's land for half the product, must have so much capital—a horse, a plow, with grain and fodder to keep family and horse while a crop grows—that he has to borrow and buy on credit, paying a considerable sum in interest; while in his delays, and risks, and exercise of foresight, his effort includes the employer's function.

Capital is Saved to Multiply Product. As the scale of producing wealth rises, from the savage's hunting and arrow making, up toward the immense and complex manufacturing of Pittsburgh and Philadelphia, more and more capital is required, until at the low rate of 5 per cent the United States Steel Corporation, by several times the largest corporation in the world, must pay \$15,000,000 of interest yearly to the lenders holding its \$300,000,000 of bonds, and such dividends as profits permit, 4 to 7 per cent, to the owners of the capital represented by its \$1,100,000,000 in shares of stock. Since the better the outfit of tools and materials, the more wealth one's labor will produce, men from the beginning have used spare time, after supplying immediate needs, in improving and increasing the equipment

with which they work. In this way wealth is saved, and may be added to without limit, making useful any reasonable amount of labor. Consumable goods, on the contrary, especially such as the wild meat and skin clothing of the savages who first saved capital, are of little value after present and approaching needs are supplied. Capital exists solely because, when united with labor and land, it yields an extra product not otherwise to be obtained—multiplies their product hundreds of times in the case of machinery, and achieves a great variety of results impossible with hand tools and mere animal power.¹

¹**Wealth, Services, Capital, Money.** *Wealth*, of which Political Economy or Economics is the science, consists of all material and transferable things that people want and will pay for. They also want and will pay for *services* that are not embodied in material things. These services, which are often counted as wealth, include those of the teacher, actor, house servant, and captain of a pleasure boat. Other labor adds value to things material; that of the carpenter changes lumber into houses, and that of the crew of a freight steamer carries wheat from where its value is low to where its value is high. *Capital*, which means wealth consumed or worn out in producing other wealth, or in producing services, includes not only coal for boilers, raw materials and machinery, but also consumable goods, such as groceries and clothing, while the latter are yet in possession of the merchant, who adds value to them by supplying them when, where, and in what quantities they are wanted. Producing them is not completed until they reach the consumer, for whose wants all production is carried on. They then cease to be capital and become consumable goods. But the consumable goods on which a farmer and his family live while cultivating a crop, whether stored in his house or commanded with money or credit, are included in his capital except the supplies for a short time, say a week. Possession or command of such goods enables him to add to his product by devoting his labor to production involving time, instead of earning daily wages for daily supplies. *Land*, the most important item of wealth, the source of all other varieties, is considered to itself as a separate kind, being a limited gift from nature, and not produced like other things by man's labor. It is used as capital when farmed, or occupied by a factory or railroad, but as consumable wealth when occupied by a dwelling house, or used as a pleasure park. *Money*, whose use admits of civilization (under which men follow trades instead of producing each for himself without exchange, as in savage tribes), is a part of the capital of the people as a whole, rendering a service of inestimable importance. Gold money, in Europe and America, or the cheaper silver money in poorer South America and Asia, possesses in itself, either as coin or bullion, the full value for which it exchanges. Silver and copper money, in Europe and America, embody but a part of that value, passing because needed as change, because legal tender

The Justice of Interest May Equal the Justice of Wages.

The street laborer earning \$1.50 per day, who denies himself for a series of years many comforts he might have enjoyed, and invests his savings in two horses and a wagon, then earns \$3.50 a day, getting \$2 extra for his labor because it is now accompanied with an outfit of capital. This extra pay is the interest on what he has saved, after deducting from the pay the cost of repairing the wagon, of feeding the horses, and enough eventually to buy another team when this gives out. As something must also be deducted to provide for risk of damage by run-aways, and of horses dying soon, and as the team must be idle for a part of the year, the net interest he receives averages but a small part of \$2 a day. If, having made provision for sickness and old age, he now deems it wise to regard the present more, and to spend for additional comforts, these comforts are only the consumable benefits which he gave up long ago by saving—multiplying the benefits by postponing them, and getting them for years from capital, instead of taking them at first from wages. These two methods of taking one's comforts are open to any person whose income exceeds considerably a bare support. Some prefer to take the benefits now, trusting the future to take care of itself. Others, by stinting the present to provide for the future, hope to get the largest good in the aggregate of a lifetime, though by loss of savings they may get far less than if they had spent at first. In all this labor, self-denial, and risk of the team owner, often including loss by misfortune, he obviously earns his interest as fully as he earns his wages; and as from the start the purpose of his saving was understood and encouraged by society, whose present civilization rests upon past saving, and whose progress in the future rests upon saving to-day, the payment of interest to him is as just as any other payment. Especially clear is this when from inability to work he hires his team for the season to another man who gets the \$3.50 a day, living himself partly upon the money paid him for its hire—upon his share in interest.

for debt and limited in quantity, and because exchangeable for gold. Bank and government notes are convenient substitutes for gold, making less of it necessary as money, and passing at full value because they can readily be exchanged for the gold coin itself.

The Idea that Receiving Interest is Wrong arose, not from such obviously just cases as that of the working teamster, but from loans of money, which it is easy to view fallaciously. As gold coins are as valuable when returned by a borrower as if they had been kept idle in the meantime by the owner, interest was condemned three centuries ago by Bacon, as it had been condemned twenty centuries earlier by Aristotle. But the money is wanted only because by purchase it gives possession of tools and materials.¹ It is for use of these that interest is paid, in the case of money as well as in the case of the team. A part of the rate of interest is for insurance against the risk that the money will not be repaid. By reason of war or calamity, or of legal technicality, loans may not be collected from borrowers most reliable. Another part of the rate covers taxes the lender must pay on the loan, and rewards him for the trouble of taking care of it. The balance of the rate is his reward for abstinence—for not personally consuming all his income at first instead of saving a part of it as capital; and later for transferring that capital, with the goods it produces, instead of then consuming it in self-gratification, or instead of using it and getting its product of goods himself. In any sale the seller, in a similar way, abstains from using himself the goods sold, or from storing or lending them. Though the loan is not repaid for a hundred years, the interest is still earned all the time by the abstinence of the original lender's heirs. To this effort of abstinence, for which interest is the wages, the capital owes its continuous existence. Stopping the abstinence would be consuming the capital.² Though the heirs be women, unable to use

¹Or of land, in which case the interest is the same as rent—rent for that portion of the land's purchase price which is not paid down. The interest for the tools and materials has the same basis as rent: they give in production an advantage like that of superior land.

²**Capital Replaced and Perpetuated.** The usefulness of capital for producing goods is partly measured by time, like the labor power of a horse or man. The capital borrowed is continued perpetually, being repaired or replaced, as it is used up or worn out, from its product, which in successful production must be large enough to yield, over and above replacement, interest to the lender and profit to the borrower. Replacement is easily discerned in a merchant's stock of goods, kept up from current income. His goods, and a manufacturer's coal and raw material, are circulat-

capital in business, and though they have annual incomes beyond what they could possibly spend in consumption, payment of interest to them is as just as payment for wheat grown in tens of thousands of bushels by a bonanza farmer in Dakota. For use of capital, as for ownership of wheat or coal, there can be but one price for the same grade of article in the same market, whether that price be paid to a rich man or a poor one, since all is transferable from man to man, and since one particle of money or wheat can be used instead of another. Under the right to buy and sell and hire, a price in interest, for the use of the capital to be obtained with borrowed money, is as just and as necessary as a price for hiring a buggy or entering a theatre.¹

ing capital, used and replaced rapidly, the coal and the material appearing in the finished article. Factory buildings and machinery are fixed capital, used up slowly but still undergoing replacement by repairs and renewal. If capital is destroyed by fire, or lost by bad management, the lender has the same right to be paid as in case of success. If such risks fell on him, the rate of interest would rise greatly. For bearing them the borrower is rewarded with profit.

¹**The Basis of Interest in the Lower Value of Future Goods.** Besides the necessary measurement of usefulness by time, interest is justified by the fact that a loan gives command of present goods, while its repayment gives command only of future goods. In addition to the risk of non-payment, and of the lender's having no use for the future goods by reason of his death or change of circumstances, future goods rightly are now worth less than present goods (1) because present needs must be met at once, while for future needs various arrangements may be made previously; (2) because people generally under-estimate distant needs and over-estimate their hoped for ability to meet them, while also allowing present wants to assume unnecessary urgency; (3) because only present goods, in the form of capital, render possible the lengthy methods of production (through machinery and materials not to issue in consumable goods for a year or two), which methods alone will yield to the producer the large output of the modern system, and to society its varied flow of supplies. For these good reasons interest is not taken from the product of labor, as the socialists assert, but is an extra amount of value that is earned and produced by denying present wants and accepting the supply of future wants instead—produced by increasing the output, and by maintaining processes through which future goods come into existence and ripen into the higher value of present goods. Far from being taken out of the product of labor, it is interest, by inducing the saving of capital and the building of factories, that gives wage workers the good living they have in Massachusetts, rather than the poorer living they have in Virginia, a state richer naturally but lacking in capital. Capital, and

Where the Wrong Lies. There is no wrong in receiving the market rate of interest, but there may be wrong in the means of acquiring ownership of the capital loaned, as there may be with ownership of a team hired. Some of the vast fortunes, yielding great incomes in interest and dividends, were obtained by deliberate deception—in watering corporation stock sold to innocent investors; others of the fortunes by imposing on the public in railroad, street car, and trust monopolies; others by too lightly taxed increment in value of city land and other property. For these kinds of wrong there are remedies in reform of corporation and tax laws. Condemnation of interest in times past by the Christian church was justified by the fact that most of the ancient and mediæval loans were made, not as at present for production, to capable manufacturers using borrowed capital to enrich themselves and society, but for consumption, to men wasting borrowed substance in riotous living.¹ It was after the invention of machinery and rise of the factory system, about the middle of the eighteenth century, that borrowing capital became vitally important in production and progress. Objection to interest then reasonably gave way, when it became obviously beneficial to all. Moreover, in former times it was common for the shrewd lender to take advantage of the unfortunate borrower's necessities. Hence, laws were enacted against usury—the taking of too much interest. They were useful to protect ignorant borrowers, who, not knowing the usual rates, and not keen in the pressure of need to try different lenders, would have contracted to pay exorbitant interest if the

the knowledge of how to use it, makes the difference between the America of to-day and the America that barely supported a few scattered Indians, though land fertility, timber, and minerals were more plentiful then than now.

¹**The Justice of Interest on Loans for Consumption.** The fact that borrowed money may be used, not to buy capital in material and machinery for producing goods, but spent for wine to be drunk up at once in a banquet, probably lessening the producing value of the drinker's labor, does not affect the principle that interest is paid to get the use of capital for the sake of its product. Because the borrowed money *could* be spent for capital it would bear interest; but if there were no such thing as capital, the use of goods, or of the money to buy them, would still bear interest, and justly, if such use were generally wanted, and the supply of goods were limited.

lender had not been restrained by fear of law. These usury laws had also a good effect where they prevented lending to persons whose security did not justify a low rate of interest. Usury laws, which were often evaded, and sometimes made the trouble worse (raising the rate to cover risk of punishment and depriving good borrowers of capital in time of strong demand for loans), have chiefly fallen into disuse, not now being needed. Increase of capital has lowered interest rates, and men with sufficient credit to borrow, under the laws now in force, are generally well able to avoid being imposed upon.¹

The Rate of Interest is determined, like other prices, by the demand for and supply of capital to be loaned; but unlike cash prices, it is materially affected by other considerations. Interest on American or British bonds, whether the stated rate be 3 or 5 per cent, is lowered by high selling price of the bond to about

The Change of Laws as to Security for Debt indicates how people gradually learned the harmfulness to society of ready lending to persons not well able to repay. An idea of the lender's power by law over the person of the debtor, in past centuries, is afforded by Shakespeare's account of Antonio's contract to give over to Shylock a pound of his own flesh in case of non-payment; also by the statement in the biblical parable—"delivered him to the tormentors until he should pay all." Imprisonment for debt was common in England, and in the American colonies, up into the nineteenth century. After default of payment such punishment made the case worse, throwing the debtor's family on the public and lessening his ability ever afterward to make a living; while as a deterrent against running into debt the laws must have been ineffectual with the short-sighted people chiefly concerned. A person unfit to borrow will now readily make extravagant offers and promises, being so absorbed with present desire as to be blind to future consequences. By abolishing personal punishment, and leaving to the lender nothing as security but the property of the borrower and his honest effort, lending was narrowed down to people able as a rule to make good use of loans. The prospect for successful use of a loan, as affecting ability to pay, is now the matter most carefully considered by the lender when he is not otherwise fully secured. But pawnbrokers are still closely restricted by license laws. They deal with poor and ignorant people in stress of circumstances, and can easily impose upon them shamefully, since loans are over-secured with personal property left in the pawnbroker's hands to be forfeited in a short time.

The historical development of interest is well set forth in Hadley's "Economics." The scientific principles underlying it are treated with especial clearness and fullness in Hobson's "Economics of Distribution."

2½ per cent, the lowest interest in the world. Reasons for this are that (1) payment is as sure as any human promise can be; (2) the bonds can be sold at any time for cash, and have many years to run, relieving the lender from the necessity of soon finding another borrower; (3) United States bonds cannot be taxed by states and cities. At the other extreme, small loans for a short time in Rocky Mountain settlements, not well secured and to persons not specially reliable, are now made at 10 and 12 per cent. In Northern Michigan the rate charged by banks on small loans at two and three months is 8 per cent; in the smaller Eastern cities, 6 per cent. In the Western states generally the usual rate for a majority of loans was 10 per cent up to about 1880. Interest is high in newly settled regions, because there are many openings for profitable use of capital, and also because repayment of loans is specially uncertain. In England and Holland, old and wealthy countries, interest rates range between 3 and 5 per cent. Capital there is plentiful, openings for its use few, business old and established, not speculative, and laws for collection of debts well settled. In a financial center, like New York, interest rates on various kinds of loans change daily, according to supply and demand.

The Saving Necessary for Society's Welfare depends, not greatly upon the rate of interest, but mainly upon habits of thrift among the people, and upon the degree of certainty one has that society will be peaceable, orderly, and just, permitting men to retain possessions unimpaired, and to transmit them to descendants. A person with an income of 4 or 5 per cent on a fortune of tens or hundreds of millions could not personally consume much of it, and hence would save most of it if interest dropped to near the vanishing point. With no interest at all, his main satisfaction from his income would probably lie in saving it by laying up for his family, by improving his mansions and grounds, and by building colleges and hospitals. Many who save to get an interest income for old age, or for wife and children, would save a larger total under low interest than under high, because a larger total would be necessary to yield the income desired. If interest fell very low, many would give up trying to get a future income in this way; yet some of them might save as much with the intention of using from the prin-

capital when the interest proved inadequate. Higher interest would make a smaller principal sufficient. Hoarding without hope of interest, a practice formerly extensive, especially in France during the uncertainty of frequent wars, would now be continued in savings deposits though interest fell very low. Lowering of interest by savings banks has apparently had little effect to check increase of deposits, safe keeping being a desired service, and the principal being well worth saving for the future without interest. The teaching that low interest is most favorable to increase of wealth, making it easy to obtain capital for production, seems to mistake effect for cause. Low interest shows that wealth is already plentiful, and the gain in producing it small. Yet this teaching is very true so far as interest is lowered by the good order of society and the safety of investments.

But Higher Interest Increases Savings, though not to the extent to which a higher price increases production of a commodity. By awakening desire for degrees of accumulation not otherwise possible, higher interest undoubtedly increases saving, and often enterprise also, among all people of thrift that know how to get interest, from the millionaire to the newsboy.¹ Most of these may spend more freely when income increases, from rising interest or from business prosperity, but most will also pursue their saving with added zeal. A time of enlarged income is an opportunity to get ahead. Hence it is admitted that with savers of capital, as with producers of a commodity, there are some on the marginal line, who would not save or lend if the interest rate were to fall lower. The rate must be high enough to bring out that portion of the demanded supply of loans which is saved with greatest difficulty (cost), and low enough to reach the borrower depended upon who cares least for a loan (marginal utility).² In view of these facts there

¹**A Benefit to Society from Interest Paying** is that it encourages all classes to save, and puts the savings into the hands of those best fitted to carry on industry. Without this effect of interest, society could not have attained anything like its present equipment of capital and output of products. Sale of corporation shares has the same effect to gather up for industry the savings of the many.

¹Hobson.

would seem to be no danger of interest falling too far, though a very low rate might indicate stagnation, or indifference to engaging in business.

Saving and Capital Under Socialism require treatment here, since a leading tenet of socialism is opposition to private ownership of capital and receipt of interest. As shown in the preceding chapter, the socialistic state, owning all the land, would have to charge rent to avoid injustice to those occupying undesirable locations for homes; but it would be sure of possessing its land, in area at least, though in fertility and improvements it is unlikely that, without individual farming and permanent occupancy, much could be expected above the standard of barbarism. Capital however—lumber, barns, factories, machines—is not provided by nature like land. The socialistic state would have no way to get materials and machines for enlarging production except by stinting present consumption and saving for them—devoting labor to making them instead of to producing for present use.

Would Factories Ever Have Been Built? At the beginning of civilization socialism, in ownership by the tribe, gave way to private ownership of land and capital before cities were built or much wealth accumulated. It is undoubtedly true that if socialism had continued no such thing as a shoe factory would ever have been built. No doubt it was private ownership, both of capital and land, that produced houses, jewels, and large annual product, to be taxed for the magnificence of ancient royalty. There were kings under the earlier socialism, as at present under socialistic African tribes, but no wealth to support them in grander style than that of a barbarous chief. The higher forms of wealth could never have been invented, nor could society ever have advanced above the barbarous stage, if there had been a lasting socialistic custom by which a new implement invented, or a new commodity produced, belonged to the tribe as a whole and not to the man who made it. Human nature was evidently fitted for private ownership of capital and general wealth, not for socialism after the childhood stage of society had passed. Early people had the same common sense that now leads a farmer to give his son a pig, or the last three

rows of growing potatoes, to make him industrious and purposeful.¹

The Measure of Truth in Socialism. But the fact that individual ownership was decreed by nature in that original constitution by which civilization has been evolved, and the fact that any approach to *complete* socialistic ownership of capital and industry would now turn society back to barbarism, are no evidence against *partial* socialism, to the extent to which conditions have become favorable. Gradual, peaceful, evolutionary socialism (not sudden, violent, and revolutionary) is evidently coming to pass to a considerable extent, as intelligence increases, and is favored in all the leading nations by the wisest and most patriotic citizens. This degree of socialism is a march in society's rise in civilization, a march required in nature's grand plan of evolution as truly as was the earlier passage from tribal socialism to individualism. From primitive punishment by the murdered man's relatives, and individual defense of one's property, control of matters of justice passed long ago to the state, which has also gradually taken charge of a wide field of new services. In the latter, to

¹**Socialism Started Now**, so considerably as to avoid serious resistance by classes dispossessed of property, would have the country's splendid equipment of railroads and factories, and some years might pass before lessened effort by the ablest men, from not possessing their product individually, would result in wearing out the machinery and in enfeebling production. But wealth would decrease materially in time, and a return toward barbarism set in, hastened by increase of population in large families to be supported by others than their parents. If working for others, regardless of their merit or of the effect, should come to be regarded as a duty, as living alone in caves was once deemed to make men holy, socialism might be successful for a considerable time, until natural law reasserted itself and dispelled the illusion. Connected with early private ownership of land, was safe and permanent ownership of the benefits of capital invested upon it, in buildings, tools or machines, drains and fertilizers. It was this powerful incentive of private ownership, protected more and more by custom and law, that led to increase of fixed capital, and to progress in production, during the Middle Ages. Without it people would have remained few and poor, and modern civilization could not have arisen. (Hadley, "Economics," 127.) Individual ownership is now the most important means of securing order, and of strengthening character and industry.

care of dependent classes, construction of roads, bridges, and docks, and care of navigation, has been added supply of industrial information from consuls and bureaus, with education of many kinds; postal, railroad, telegraph, and telephone services (the latter three in most of Europe), and a variety of municipal services. Many of these services to the public, which usually are natural monopolies, will soon pass further to government, in ownership or in close control. There is wide room here for extension of public action, especially in industrial education, and in the purifying of the crowded slums of cities. The encouraging progress now being made will be more successful as people become more capable of self-government. Experience in these lines develops capacity for improvement. But outside of these monopolistic services, and of other similar services yet to appear, together perhaps with eventual state ownership of natural monopolies in mines and forests—individual and corporate ownership of land, capital, and industry will doubtless continue indefinitely into the future.¹ By human nature it does not seem that large production, or industrial progress, can ever exist without individual ownership much the same as that of the present time.²

In Following the Socialistic Desire to Withhold Interest from private hands, society can get for the public all the interest income from its capital in schools, post-offices, and city services, and by means of franchise, income, and inheritance taxes (not

“**The Farm for the Farmer.**” Mr. and Mrs. Sidney Webb, though their doctrines of the British Fabian Society are the most reasonable yet urged under the name of socialism, have a rejoinder that seems very inconclusive when they make light of the individualist mottoes, “The farm for the farmer, the shop for the shopkeeper”—by replying, “The school for the school teacher, the sewer for the sewer cleaner.” Individualists are as ready as socialists to leave to the government those services it alone can do, or do well—any service in fact that in all results it can do best. “The legislative hall for the legislator” has never been heard; and individualists as a rule now welcome, not only public schools and sewers, but also public telegraphs, street cars, and many other things for which public ownership is best suited, where the voting community is clearly able to render the service efficiently, honestly, and economically. Yet individual ownership is left as essential as ever in its own field.

²See the closing portions of the next three chapters for a continuation of this line of thought.

to be shifted by raising prices) it can get a considerable percentage of the interest share in the product of capital privately owned. If taxes are levied justly and spent wisely, private owners—receiving rent, interest, and profits—will contribute largely of their incomes without falling below a publicly desirable degree of saving, and without harmfully relaxing their zeal to increase and improve production. That is, cutting down their wages, by taxing them, will not cause them to leave or shirk the task society has committed to them, which is to originate and direct the work of supplying the varied and abundant goods and services produced. This task, outside of the monopolistic services previously mentioned, society cannot now perform for itself collectively—could not produce enough for present population to live on if it tried to do so;¹ nor can it ever force the capable to carry on business for a lower reward in profit and interest than that which the supply of and demand for their service determine justly in the market. Unlike slaves (and even they could seldom be forced to do the net amount of work they were supposed to do), the capable rule in society, and will doubtless do so always. But as their greatest welfare is now seen to depend upon the greatest welfare of the masses who buy of them, and work for them, and as the capable of the present day are generally as likely to be just and reasonable as are others, the relations between class and class can be brought by sound reform far on toward perfection.

What Public Money Will Do. Public money, with but little more knowledge of the situation than is now possessed, will cleanse and educate the unhappy classes up to the level of com-

¹**Could People Get a Living Under Socialism?** The oft-mentioned contrast is well known between the regularity and general satisfaction with which the needs of a great city are supplied, under the competitive system of each seeking the interests of himself alone, and the inadequacy, waste, and often scandal with which the best government supplies an army, though in size the army is not a tenth of the population of the city, and is composed only of robust persons. As the American soldiers in the late Spanish war, to a large extent, turned away from army rations and depended on food from private sources, so under an attempted socialism it would soon be found that people were supplying themselves individually, as at present, and were far from working for the government alone as they were supposed to do.

fortable self-support. Taxes somewhat high the property owners could well afford to pay to secure this result, with the splendid field for business, and for cultured life, such a society would afford. Most of them would pay cheerfully, and make efforts to help forward the movement, and most people in the other classes would join them, if one condition were complied with. This condition is that extreme notions and demands be checked, sound plans followed, and public money actually spent carefully, every dollar bringing full value, for the one purpose of achieving the uplift of society as a whole, not to benefit the sellers, workers, and officials to whom it is paid. For voters to learn to view things in this way, the only intelligent way, and to see that this policy of spending is followed, the only honest policy, is all that is required to establish in a few years a reality that would be very creditable as a Utopia. Apparently, in many respects, the government of some of the European cities is now fast reaching this level.

CHAPTER III.

THE EMPLOYER AND HIS PROFITS.

Are Profits Just? In the division of wealth produced, profits are the share that falls to the person who carries on the business—the employer or captain of industry. If his contract payments of rent, interest, and wages take all his product sells for, he gets no profit. If they take more, he incurs loss, which he must pay from his capital, or from the next year's product. The law requires him to pay the three other shares as he contracted, without regard to whether he gains or loses. But the arrangement is just to him, not simply because he knows the law when he makes his contracts, but because he is allowed any amount of profit, more than all the other shares combined if fortune should so award. Is the employer justly entitled to the large profits he sometimes realizes? Labor leaders often assert the socialistic doctrine that labor produces all wealth;¹ and they

'Labor as Producing All Wealth. So it does in the sense of being one of the necessary factors in production. But this is still more true of land and sunshine. That portion of the product due to land, or that due to capital, is easily determined. Where a man's labor, remaining unchanged, is transferred from poor land to better, the extra product is due to the fertile land's superiority and justly falls to its owner as rent, which was shown in a previous chapter to be necessary. What this man, with the same labor and the same land, adds to his product by use of capital in machinery, falls justly and necessarily to the owner of that capital as interest. What the advantage of using better land is worth, or of using capital, the producers determine for themselves, in the rates of rent and interest they offer. Owners cannot fix these rates among people capable of taking care of themselves. That portion of the product due to the employer is determined just as plainly, being all he can realize above his costs in previously settled rates of rent, interest, and wages, which rates the respective receivers gladly accept in preference to using their land, capital, and labor in production each for himself. Neither can the rate or amount received by the employer be fixed by him. Except in a few cases

do not count with laborers the employer in a large concern, whose work of every noticeable kind, including buying and selling, and even money counting, is done by others receiving wages or salaries. What he does they do not call labor. Many seem to believe that for all profits, rent, and interest a country's wage and salary receivers are unjustly deprived of what they alone have produced and ought to have; and to hope for a better time, when there will be no employers, landlords, and capitalists, but such an organization of industry as will divide among the wage workers (then to include everybody, as an employee of the state) all the goods and services they produce. Such ideas continue to exist because the socialists have never had an opportunity to prove, by any approach to a complete trial of their plan, the necessity in civilized society for the private employer and his profits.

The Work of Superintendence done by the employer, however, would be acknowledged by intelligent socialists as necessary—as the most important work of the concern, though it included nothing but thinking and giving directions to subordinates. Of all work, thinking is the most essential, and the most difficult to do. The results of work come in exact proportion to the correctness of the thought that directs it, and to the efficiency with which that thought is followed. The unsuccessful, whatever their feelings of injustice, realize that their lack is in not knowing how to adjust themselves to the forces surrounding them. Under complete socialism, with the state owning all land and capital, and carrying on all industry, somebody would have to serve like the present employer as chief manager of a factory. If people were allowed any choice as to where-withal they would be fed and clothed, and were not compelled to take the rations issued to them, like convicts in cells, this manager would have to decide what style of goods to make, how much of this and of that, where and when to ship the product to find those who wanted it, what men to engage as assistants, and how to avoid in every way a waste of the people's labor or property. In production on a large scale by machinery, the

of monopoly, easily remedied by honest public action, his profit consists of only such additions to prices as the public and his competitors permit as just.

only way to get many goods for a given amount of labor, few things could be made to order. If the manager had no more assistants than were needed, each of them would have all he could do to superintend directly his own department.

High Pay for Rare Ability. This general manager, with the perfected production hoped for by socialists, would necessarily be a master of business, a rare man, like the present leading captains of industry, who must be rare men or more would succeed in imitating them. He would hardly fall behind the average workman in high notions as to being worthy of his hire; and the socialistic society would fare well if he demanded for himself no larger share of the product than the present employer obtains for his services (that is, his profit less that portion of it received as reward for risk). No socialism worth considering here would expect men to work long under any arrangement by which all shared alike, without regard to amount of work done; nor would it count on any lasting estimate of value for one's service contrary to that value fixed by its supply and demand. And unlike the employer, this general manager would bear no losses. His salary would be guaranteed if he honestly did his best, whatever society received or failed to receive from the factory he managed. He would be a laborer like all the rest, and socialism is wanted for the sake of guaranteed employment, whatever happens, and at better regular wages than now prevail. With all working for wages, and with no employers to bear society's losses, there would need to be a general scaling down at the end of the year if product fell short, and the reserve proved insufficient.

Pay for Bearing Risk. Profit to the extent of high wages for superintendence must therefore be conceded as just and unavoidable. But what of the profit (1 to 5 per cent) in uncertain dividends on shares, in excess of the fixed and guaranteed interest on bonds? This excess falls to stockholders who do nothing in the business, its control being in the hands of officers paid with salaries. The justification for paying the excess of dividends over interest is that full value for this excess is received by society in being relieved from risk. Loss falls on stockholders alone, not reaching society except so far as it is harmed by their misfortune. The cases or amount of loss in

railroads, factories, and stores, that do not pay expenses, approach so near to the cases or amount of gain with those yielding above the average, that the aggregate gains are fully earned.

Its Justice Continually Being Tested. The sufficiency of the net reward afforded by profits, for bearing risk, is continually being tested. In times of prosperity, when prospects for high profits are good, capitalist employers or stockholders, bidding with services to society for the profits its buying then affords, give society more, better, and cheaper goods, until by falling prices profits are so reduced that more investments to secure them will not be made. In dull times, on the contrary, profits are so low, from smallness of sales, and losses so frequent, that many employers cease bidding for them with services, not a few concerns being closed by failure.¹ Society's offering of profits is not then sufficient to retain for itself the services of all the many employers who previously were well paid when the offering of profits was larger. Profits, like rent of land, and like the gain falling to a speculator in land or in wheat, are kept just by the bidding of those competing to secure them. When profits are high, competitors offer goods cheaper, and bring profits down to the average; when rent is high, bidding for land, raising its value, brings down the percentage of annual return to the owner; if price of wheat promises to be high in the future, present prices rise until the prospective gain becomes only a fair return for interest, storage, insurance, and risk of a price still lower.

This Individualistic and Competitive System of industry gives society the best, cheapest, and most rapidly improving supplies; places the risks on an expert class who make a business of bearing them, at the lowest charge in profit that will be safe, either to them or to society, in view of society's injury by their failure; and develops in the only possible way (namely,

¹By starting many enterprises when gains are sure, thus enlarging product and lowering prices, and by suspending operations when gains fall too low, thus raising them for those continuing, the average income from lines of business not monopolized is kept at a point near the salaries of those who are able, in personal ability and in command of capital, to become employers themselves—higher than salaries to balance extra risk, and to balance interest on capital owned, but lowered somewhat by a common desire to be one's own master.

by direct reward in profit), the enterprise, ingenuity, energy, and courage that alone could have made modern civilization. The opposite of all this—socialism—in trying to shield people from the hardness of the strenuous life, would deprive society of civilization's benefits, which by strenuousness alone were developed, and by it alone can be maintained. The mission of socialistic teachers, a necessary mission, is not to abolish the system of competition, as socialists desire, but is to rid it of harmful monopoly, and to provide better for lifting up the weaker classes. In its own distinctive demands socialism is doomed to failure, by sheer impossibility under the laws of human nature; but in its effect to bring about moderate and reasonable reforms it is proving in many lands a beneficent success.

The Value of the Employer's Superintendence, and the justice of his profits, are appreciated by intelligent workmen, who, when in a calm mood, do not assent to the idea that he is largely useless or gets too much for his services. They understand the difficulties of the foreman near them, and when his place becomes vacant one of them will sometimes decline to accept it because of a realized lack of managing ability. The one who does accept the place has then, if not before, a fair appreciation of the labor performed by the higher managers and the employer. Especially does a workman learn to know the value of the employer's labor when he works for a weak and unsuccessful concern, made such by an employer's incompetence. But he learns most effectively when he undertakes a small business of his own. If not specially fitted for it by nature, he will soon envy the happy condition of his hired men, who simply put in the time, with average effort of course, but without anxiety as to what is done or as to where the money comes from. In a small establishment it is generally easy to see that the employer works hardest of all. The others must have their pay on time, profit or no profit; but in many cases he spends his capital and strength for a bare living, and this in anxiety and mortification. Peace comes when by failure he is placed back in his old position as an employee. He can be proud as an employer, and avoid burdensome labor, only when his business is prosperous.¹

¹**What Percentage of Business Men Fail?** The usual estimate seems to

That the Employer's Profits are Wrongfully Taken has found lodgment in the minds of so many persons that it requires further discussion. Karl Marx, the chief founder of the social-

be that about nine-tenths of the men who engage in business for themselves fail at some time in their career. This estimate seems too high, in view of the many junior partners who avoid risk by entering established firms, though it may be true if small and unpromising concerns are counted. But despite the large percentage of business men who have failed at some time, it seems that comparatively few of them return permanently to working for wages. For those failing, and unable afterward to reach solid success, there is a wide field in conducting small enterprises, and in various kinds of agency work on commission.

So Scarce is Managing Ability, and so necessary, that men who clearly possess it need not have capital of their own; others will gladly lend it to them. Officials at high salaries are taken from one corporation by another for the sake of their services. A railway manager, working like a lawyer if not like a laborer, is believed to earn all he receives, sometimes above \$50,000 a year. Figure-head positions would be given to a company's own leading stockholders. Carpenters, bridge builders, and sailors know that the head work of deciding what to do and how to do it, is far more difficult and important than the hand work of carrying out the plans.

How Hard the Capitalists Work. The successful man of affairs, as a rule, strains harder in thought and effort than even the hardest workers among those receiving wages and salaries. The strain of labor on active capitalists, and on their leading managers, continually making large transactions, is perhaps greater than on any other class. Its intensity is understood by those coming in contact with them. The phrase "a busy man" suggests an employer or manager. So far as their work is done easily, they are using a gift of aptitude from nature, or an ability gained by practice. With an intensity of effort equal to that of a typical employer, a wage worker of moderate ability would seldom fail in America to become the owner of some property—to reach comfortable circumstances. The idea of fatigue being caused by manual labor alone is not held by workingmen with any variety of experience. Perhaps there is no kind of work more exhausting, to both body and mind, than that of a short-hand reporter, sitting in a comfortable chair but keeping up with a rapid speech.

That Higher Kinds of Work are Agreeable, while the lower kinds are monotonous and irksome, is an assertion often made by writers with socialistic tendencies. It is doubtful if there is any truth in it. The thrifty Italian rag picker in New York that is saving money and getting ahead is probably as happy as the merchant up town who in his sphere has reached a similar degree of success. Any one of the large class who have raised themselves, whether much or little, knows that his satisfaction arises from the rate and public notice of his progress, and that it may be greater when

ism taught to-day, seemed to think that the employing class, according to a studied design, consciously brought about, for their own selfish gain at the workmen's unjust loss, the change

he mounts the lower rounds of the ladder than when he mounts the upper, since his circumstances may render the lower steps the more creditable. In view of his youth it is likely that Commodore Vanderbilt enjoyed his working night and day while winning success with his first boat line, far more than he enjoyed the later steps of the progress by which he became king of the railroad realm. It is the pride in achieving, or in simply doing good work, that gives the satisfaction, down to the lowest grade of labor. While being born industrious is a great advantage, that is perhaps less than the effect which honest effort at industry has to make one like it. Perhaps the lazy and inefficient can generally shake off their fault if at first they can force themselves to earnestly try. Social station and environment are nothing here: the willing and the thrifty (who are almost universally to be counted with the happy) may be as numerous in one class as in another.

And Those Having No Ambition Get Their Satisfaction in Ease, if socialistic discontent does not lead them to clamor for, as a gift from society, the good they refuse to make the necessary effort to attain. In America not many who are really troubled by fear of want are unable to provide against it, though the socialist's picture of the worthy poor's dread of the gaunt wolf is partly true of over-crowded Europe. The Hindoo's present living, just above the starvation line, he positively prefers to a better living for larger effort. It is well known that the lazy and shiftless, such as tramps and some classes of Southern Negroes, get out of life a kind of enjoyment that satisfies them very well. Moreover, aside from the merit of one's effort, the common laborer's total relief from anxiety, as to certainty of success in the work he does, gives him a rest of mind never known by the author or the artist, unless the latter be a genius. Many a young man in college, struggling for days over the writing of an essay, and wondering whether or not he is really fitted for the profession he seeks, has envied the man who delivers his coal.

In All Occupations There is the Same Difference between routine labor any one can do, and effort requiring independent thought. The country editor turns with relief from getting business, making contracts, or writing editorials, to the routine work of posting his books or setting type. The mechanic knows the same difference between a new piece of work he must study out and another piece he has often done before. Though obviously untrue is the complaint by which the socialists attempt to throw on society all the blame for poverty and ill success, there ought to be a more rapid elevation of the poor and weak to a plane of comfortable self-support, an elevation easily practicable by united effort on reforms generally agreed upon. This will leave in force in society only those necessary penalties by which nature makes it pay to be virtuous; and while leaving unchanged the differences in wealth due to differences in capacity and in saving, will yet

to the present factory system from that original production in which everything produced belonged to the laborer. This is the theory of exploitation. But the original kinds of production have not changed. Now, as in the beginning of society, wild berries and game are free to the taker where land is plentiful, as they were then, and he still requires no capital to speak of. When population increased, land was appropriated, and in some form bore rent, in the days of Abraham and Lot as well as at the present time.¹ Ancient handicraft production still survives. A tailor or a shoemaker, working alone with his own hand tools, keeps all he can make, just as he did a thousand years ago. He still does the same when he buys a sewing machine and hires a woman to sew; and if by years of self-denial the shoemaker adds machines until he has a large factory, he feels that his right to own all these and their product is as good as was his right to his hammer and the first pair of shoes secure, for all degrees of ambition, a near approach to equality of satisfaction in proportion to merit, whether one's class be high or low.

That All Superior Labor Power Was Derived From Society's Experience, whose demand also made possible labor's result in wealth, and that hence all the superior worker's product above that of the average man should fall to the state, to be divided according to needs,—is naturally a favorite doctrine with the socialists. It is untrue, and in several respects. First, to the superior man, however skillful, effort is disagreeable; and if he received no more than the average in product he would give little if any more than the average in labor, taking his extra advantage in ease. Hence, from him no appreciable excess of product would be obtained, while now the excess is large, and society has the use of all he does not personally consume. Second, rise of civilization benefited him no more than others. As a savage he surpassed them as much in killing game for himself as he now surpasses them in earning money under exchange. Third, to him their demand, giving value to his products, is worth no more than to them is his demand giving value to theirs. Moreover, as his inventions and enterprises, bringing civilization, arose more from effort and choice, and less from unavoidable need, than did their value-making demand, he seems to have done *more* for society than it has done for him.

¹A recently discovered code of Babylonian laws, in force about 2250 B. C., prescribes many regulations for rent paying. (*The Independent*, Jan. 15, 1903.) Several centuries later, for "four hundred shekels of silver, current money with the merchant," Abraham bought a field, with its cave and trees, which was "made sure unto him for a possession in the presence of all that went in at the gate of the city." (Genesis xxiii.) Thus was his deed recorded.

he made. His factory would never have been built if there had been any doubt as to who was to own it; and the effect of his enterprise to increase employment and goods adds to society's benefit more than to his own.

Did Capitalists Want the Change to Machinery? Employers in England a century and a half ago, settled in business with their few hand-working journeymen and apprentices, were sorry enough when invention forced them to give up their comfortable conditions. Many of them were ruined by lack of capital or of skill for machinery production. The few inventors, then as now, spent money and labor for years, with no certainty of success, to perfect the machines that have made modern civilization. They wanted to benefit themselves by serving society, and probably regretted that their own progress unavoidably caused trouble to hand manufacturers. So it has been ever since. Better conditions in society are born from somebody's travail. Only a manufacturer here and there, about to build a new plant, rejoices over the invention of improved machinery. To others it brings loss, necessitating large outlay, and removal of old style machinery but partially worn.

Laborers Benefited Most of All. The entire march of improvement has probably benefited society as a whole more than either inventors or manufacturers; but most of all it has benefited laborers. The difference for the better with laborers today over those of 1760, in all civilized nations, is vastly greater than the difference for the better with capitalists and land owners. Well-to-do people had then all the power there was in government, and all the enjoyable possession. Working people now, under capable leadership, can control the government, by following those wise policies which alone can prevail, by whomsoever supported; and they will not lack in enjoyable possession when by their own efforts, aided with the sound laws and the practical education the public will cheerfully concede, they find each for himself, and heartily do, the work in which one's labor product will be worth the most.

No Essential Change in Any Production. Not only in the hand work of the shoemaker, but in all production, there has been in real essentials no change in the system of making wealth and getting a living since society grew able to leave the protec-

tion of childhood in the bosom of the family tribe. In Greek, Roman, and Bible history, back to the earliest times, where there was any pretense to civilization there was also division of labor, with individual production and individual accumulation of wealth. People left the home family and started up for themselves as soon as safety and order prevailed to a tolerable degree. The merchants of Tyre and Sidon traded with ships along the Mediterranean Sea, and grew rich, 1200 years before Christ, just as the merchants of Venice and Genoa did 1200 years after Christ. Tyrian purple was a fine manufactured fabric of the earlier period, as Flemish cloth and lace were in the later period. Commerce had in the days of Solomon gold of Ophir and cedars of Lebanon, as it now has gold of the Klondike and pine of Michigan. People have obtained wealth in every age in the best way known, working with slaves or hired men, poor tools or better, according to the custom of the time. They used improved implements and machinery just as soon as they had them. It was the product they wanted—food, clothing, and other useful things—in the easiest way they could get it. A great factory costing a million is used now, not because it is modern, but because to all connected with it, the wage workers no less than the owners, it yields the largest quantity of useful things in proportion to the labor and capital employed.

Which Class Has Served Society Most? Instead of the labor now done by wage workers having produced all wealth, by far the most important parts of the world's work have always been done by the employer. Up to the time of the invention of machinery in the eighteenth century, he toiled in the shop with his own hands, and presumably did the most difficult parts of the work. In the present age it is he who studies unceasingly to make the product just as the people like it best, and at lower and lower cost by improving methods, not by lowering daily or hourly wages if he is progressive. The fact that he does this for his own selfish gain, in order to sell larger quantities, does not keep the consequent falling of prices from passing practically all the advantage in time over to society; and is infinitely better than if his motive was to be brotherly and help people, as socialism would prefer. In the latter case not only would his action be likely to change soon from helping

to robbing, but at best it would bring injury by making him a lordly dispenser, and the people pauperized dependents. Original work, in inventing and improving things for society, has always been done by employers, or by men working for themselves. When the wage earner, thinking deeply on his work, becomes an inventor, his contrivance belongs to him, and his work on it is (or ought to be) for himself, not for his employer, unless he is hired to invent. The regrettable fact that often for lack of means he cannot reserve the benefit for himself, proves the transcendent importance of the employer's capacity to save, borrow, and preserve capital, without which capacity and capital any number of workmen, of whatever skill, could not carry on effective production.

The Three Requisites for Business. The young workman preparing to establish a shop of his own acquires first the greatest necessity of all, namely, capability to carry on business. Meanwhile he saves money for years, to purchase the second requisite—capital in machinery and materials, with which capital we may here include use of land. Then, but not before, he is ready to employ workmen, which are the third requisite. In a number of occupations the first requisite will answer alone for a while, its possessor obtaining capital by borrowing, and doing his work himself. This most necessary man in society, the captain of industry, must come first or there will be no production. With the earliest tribes of men, as with the pioneers who settled America, it was the leading workman's thinking out what to do and how to do it, not the labor exerted afterward by him and his helpers, that was the main essential in bringing results. So it is to-day, not only with great factories but also with the small industries, including farming, in which industries perhaps nearly half the country's workers are still independent producers not working for wages. Development of new territory, or of industrial opportunities of any kind, must await the coming of the employer, to whom others gladly sell the use of capital and labor.¹ And finally the most conclusive proof of the pre-eminence of the employer's service to society is the rate of pay

¹It is in a large industry already established that Mr. Carnegie's illustration is true—likening labor, capital, and managing ability to the three legs of a stool, no one of which is more important than another.

he receives. What people will pay is the crucial test of the relative value they set upon the many kinds of commodities and the many grades of labor. Since outside the ranks of the large employers there are many times more men who are fully as intelligent, it is not to be supposed that these employers are deceivers or cheaters. In the continuance of the system of profits from century to century, it must be true that they are well earned.

Society's Great Bargain. The whole system of division of labor, and exchange of goods between different classes of producers, was allowed to grow up at first because it was found that each person thus obtained most for his labor, and hence that welfare was greatest for society as a whole. Private ownership of machines and of articles made, like private ownership of land, was permitted because the owner was thus encouraged to produce more than he would otherwise have done. The more he produced, the larger was the community's flow of supplies, and the more of his commodity was given in exchange for the commodity of another. Kings and ruling nobles found that besides being better satisfied himself he was more useful to them as a self-directed owner than when held under closer control as a serf. The same principle prevails to-day. It is the freedom of the wage earner to choose what he will do that throws on him the responsibility for his own living, above a pauper's support. Those were slaves and dependents of the family, having no choice, whose support was guaranteed. Under socialism it is proposed that state officials assign men to their tasks—that is, rule as slaves the many who could not influence the officials.

Socialism is Rejected, not because society cares more for the employer and land owner than for the wage worker, but because no thinkers but a few enthusiasts can see in it any other result than lessened production, large families to be supported by others than their parents, and eventual starvation for those unable to scramble for themselves. The payment of great profits to the employer supplying a demand well, is willingly submitted to by the public, not only because such profits must be allowed to such an employer to induce the employing class to take the risks of introducing improvements, but chiefly because without the employing class society would have to bear

the risks itself, in some form of public industrial control incapable of anything like equal results.¹ In the present capitalistic system, with product divided in rent, interest, wages, and profits, all determined chiefly by competition in supply and demand, society finds that the production by which it is fed and clothed is kept in the hands of the men who can give largest values, others being crowded out by their own miscalculation or incompetence. No way appears by which this natural selection of the fittest could possibly be approached in effectiveness. The socialistic plan, to elect managers for all industries by vote of the people, the ablest socialists would be ashamed to propose if there were a possibility of at once giving it a trial. With all the enlightenment, in the few and simple enterprises carried on by cities the waste or corruption among officials, and those they hire or buy from, is commonly notorious. The employer's field is now open to all, without an election. Except in the few monopolized lines, which society is preparing to control in a special way, any person, high or low, can enter any business, large or small, or can devise a new business for himself. He needs only to produce what people want, at the price they will pay.² They ask no more when they come to sell to

¹Hadley, "Economics," 289.

²**The Socialistic or Labor Theory of Value**, often to be detected in labor discussion, which is that a commodity should bring a fair return for the labor spent upon it, would tend to turn the motives around. Under this theory a person might get, not what he wanted to buy, but what the other party wanted to sell. Though apparently kind and considerate, a more unsound idea could scarcely be thought of. Life would become one great system of charity. It would make it the duty of people drenched by a cold rain at a picnic to buy the poor man's lemonade. Such a notion of value would change the whole process of getting a living, which by nature consists of supplying one's own wants, not those of others, and with the least expenditure. Why not consider beforehand what people want and will pay, and devote labor to that line of production in which it will bring most? Each then helps himself as nature evidently intended by her first law of self-preservation, and in the process helps most effectively all others, not trying to supply wants guessed at, as in the waste of giving presents, not weakening by charity their ability to take care of themselves, and not abusing a sacred sense of brotherliness that is to be reserved for their special needs. The buyer knows not how much in labor an article cost its producer, but he does know how much in labor the buying of it saves to himself. Each is thus induced to do his best, promoting self-development and general prog-

him. No expression by vote of the public's will could so effectively hold the manufacturer to producing what society wanted as his present necessity of bearing the loss in case its will is disregarded. It would be a crude and unworkable control of progress, and making production so large as to provide well for the unfortunate, through private charity and the state. The motto, "All for each, and each for all," is thus carried out infinitely better than it could be under any possible socialism.

Is It Right That Rich and Poor Must Pay the Same Price? This equality of payment appears in all selling and hiring. The millionaire, who would save capital with interest at only 1 per cent, gets the full 4 or 5 per cent necessary to induce the marginal man to save at all. The strong laborer is paid as much as the weak, and as much for the first hour, when labor may be a pleasure, as for the last hour, when he may be faint from fatigue. The poor farmer, just getting a living, receives no more for wheat than does the immensely rich and perhaps dishonest speculator. The case is the same with buyers. To sell the whole supply, the price to all is put low enough to reach the person who cares least for the article sold. Others would pay double for it rather than go without, and many times as much in the case of that portion of food necessary to sustain life. But there is nothing wrong in this prevalence of one price in a market. One reason for its necessity is that to attempt to determine a buyer's or a seller's degree of need would make every case of bargaining a contest in beggary and fraud, inducing men to appear as needy as possible. Another reason is that an article can be bought for one purpose and used for another. A person cannot be made to pay more for the loaf that keeps him alive than for the loaf he barely cares for, if he has liberty to use the latter loaf for the former; and if the rich man sold more cheaply because he could afford to do so, he would get all the trade.

No Exploitation in Having One Price for All. Likewise, because the uniform pay of a group of men is fixed by the product of the last or marginal man, who is just above the point of not being hired at all, the men first hired, whose individual product would have been larger if they had been left with all the tools and materials, are not exploited by the employer. Assigning a share of the tools and materials to the later men reduced the product of the earlier. Men are hired and goods are bought until it does not pay to buy or hire more. The earlier sellers and workers cannot shut out the later without robbing them and the buyers through monopoly. No person has a right to demand that another buy his labor or his goods. That is justly considered beggary. People produced for their own consumption alone until exchange grew up from such an offer by the buyers as the seller for his own sake was glad to accept. By the degree of want for the least desired portion bought, prices are fixed all around. What one loses from low prices as a seller he gains as a buyer. His income soon becomes outgo. The value of his savings depends upon low prices for capital goods; when

duction to place it under state officials, elected and influenced by roundabout methods, with losses from mistakes not falling on them but on society. Apart from difference of wealth based on difference of service value, there is no more "wage slavery" (one of the many epithets whose rhetorical force counts largely in socialism) than there is of employer's slavery.¹ Either the wage worker or the employer can change his location at will, but each is held relentlessly to doing what society wants done.

Evidence of Fitness to Carry on Business. Possession of capital, or of ability to save or borrow it, is one of the first evidences of fitness to carry on business. If a person with inherited capital proves unfit and fails, the loss is chiefly his own, not society's; and he gives way to others who survive for the reason that they serve society best. By loans of capital from the state to coöperative workers, under Lassalle's plan, political influence would waste the state's capital on the unfit. Moreover, the state's help here is not needed, since a man of capacity to be an employer can find capital himself. If private capitalists will not lend to him, the state ought not. All those unable to prove this capacity serve society best as wage workers, and themselves also. In but few cases, whether in one class or the other, will a person long get more than his service is worth. It is useless to attempt to place him where he does not belong.

he produces for his own family alone, without exchange, he is no more interested in high prices as a producer than in low prices as a consumer. By each person caring for himself, buying as cheaply as he can, he fares infinitely better than if provided for as a child, and develops manhood instead of imbecility. Nature evidently intended the helping of others to be exceptional. It so weakens their ability and desire to care for themselves that the task of helping soon passes beyond the power of those by whom the help is rendered. The whole plan of distinctive socialism and communism is about as absurd and impossible as a system of prices varied according to need or to labor spent. The only possible value is that of the present system, based on supply and demand, without regard by the buyers as to the producer's labor or cost. He will attend to that best, leaving the buyer to consider simply the gain on his own side. Nothing will ever give a thing value but the degree of want for it by persons having something to exchange.

¹In this epithet wage slavery there is the same reckless exaggeration that there is in the socialistic claim that all private ownership is robbery, and hence all collection of rent, interest, and profits.

In the ranks of wage earners most people are needed. The fact that success in business is so difficult shows that industry is in good hands, and that society is being well served.

The Present System is Just. Each share of the product is earned. Whoever owns the land, the state or a private citizen, demand by more than one person for the use of it will give rise to rent, at rates fixed by what those desiring it deem it to be worth. Interest has the same basis. In the supply of capital within reach, and in the demand for it to use in production, the interest rate is what borrowers consider the use of capital to be worth, and there would be such a rate if capital were owned by the state. Aside from the few cases of monopoly unjustly obtained, the employer earns his share. For his success or failure, others are not concerned. Having different sources of supply, they buy of him only when it pays them or suits them to do so. In the prices at which they buy, people capable of buying do not pay profit to help him, nor for this purpose do his competitors refrain from under-selling him. They let him have the trade because they cannot afford to take it by selling cheaper. The wage worker earns his share, except in the few cases when he is employed, not for the sake of his product value, but to render him aid. By finding out what each employer in reach can be induced to pay for labor, as the market is tried by sellers of commodities, the worker will get all his labor is worth. If employers are half so ready to destroy one another, by cutting prices for their goods, as socialists claim, they will not stand by, without offering more in wages, and see a competitor gain from hiring men at a rate too low. The only test of value for labor, as for all else, is what people will pay for it. The wage worker deserves from society, and has generally received, more considerate treatment in some respects than the three other sharers of the product, since by nature and experience he is less able to take care of himself. Their undue influence is declining, as the worker acquires and exercises political power, and as society learns to understand the situation. Possession of equal rights, with the intelligence to use them, deprives the workers of the special consideration accorded to persons in a position of dependence. The non-socialistic trade unionists are glad to relinquish the one for the other. Society's duty to wage earn-

ers, for their good and its own, is to teach each to turn out the most valuable product of which his nature is capable. The fundamental principle of the present competitive system of industry is morally right. To each person it gives, among people prepared for it, all the wealth he produces—all that his labor, his land, his capital, or his management, is worth to the buyers of it and to society.¹

Capitalism an Efficient but Complicated Machine. But like a highly developed machine, the modern capitalistic system, producing, like such a machine, the largest desirable results, requires a high grade of intelligence, lack of which has caused the system's present disorders. By growth of intelligence, and of order and safety, enabling each to do better for himself than the family or the state could do for him, the socialism of tribal times passed away, and also mediæval state interference, in which the law attempted to set prices and wages, and hampered industry with many restrictions. Invention and improvement have gone forward so rapidly that the people's intelligence is yet far from equal to the task of bringing the capitalistic machine under complete mastery. But society will not abandon it, in compliance with the demands of socialism—will not give up the Empire State Express to return to the ass of Baalam. By removal of monopolistic abuses, in connection with railroads, trusts, and taxation of vacant land, by enactment of a few wise laws to protect labor, and by educational and industrial development of economic intelligence and of individual capacity, the present capitalistic system of getting a living can be, and is being, brought far toward perfection. Besides, whatever truth there may be in socialism, whose possession of merit in pointing out capitalism's abuses is cheerfully acknowledged by socialism's opponents, the only safe way to reach socialism is by doing these things first. Progress in them is fast bringing society to much that socialists desire.

¹J. B. Clark.

CHAPTER IV.

COÖPERATIVE INDUSTRY.

A Less Visionary Plan than Socialism for getting rid of the employer, and for saving his profits for the workmen, is coöperation—ownership and management of a factory by all those who do its work. They then get also some of the valuable experience and self-development to be obtained only in conducting independent business. Coöperation is called productive when engaged in such industries as manufacturing or farming; it is called distributive when engaged in merchandising.

Productive Coöperation of a simple kind is common in Russia and Italy, where gangs or societies of laborers undertake collectively contracts for public and private work. Such contracting, to do common labor, by men without capital, has long occurred occasionally in England, and in unimportant cases occurs now sometimes in the United States, in different occupations, when a few men agree to do a piece of work by the job. Where only two work together, a common practice in both countries among miners furnishing their own powder, it is a case of partnership rather than coöperation. The same might be said of three or any other small number, especially when they hire additional help. The separate gangs of men employed in building locomotives and steel ships are piece workers rather than contractors, since they do not supply the tools or materials, and do repetition work, in which there is little uncertainty as to time required. At the American lake ports officials of the long-shoremen's local union furnish the men needed and the pay is divided equally between the members of each gang; but the labor is done simply on the piece work system, the union bearing no responsibility further than to give the satisfaction necessary for retaining the favor of dock managers. In most or all the cases just mentioned the line between contracting and piece

working may not be clear. The New Zealand government, as far as practicable, has all of its railway excavating, and other construction work, done by groups of workers called co-operators; but as the government supplies the capital and superintendence, taking the important risks, and carefully guarding the men's welfare, often having the work done mainly to help them—it would seem more correct to call them its employees, paid in equal shares of the total sum, instead of by the day or by individual output. This statement may apply somewhat to the Russian and Italian coöperation.

Of Coöperative Manufacturing by Unaided and Independent Groups of workers, supplying all capital themselves, and bearing all risk, the first recorded cases were a few scattered flour mills and bakeries started in England and Scotland by workingmen at the close of the eighteenth century, to protect themselves as consumers from high prices for bread. One of these, established in Hull in 1795, continued for fifty years. From 1828 to 1834 what was called the union shop movement appeared over England among workingmen in from 400 to 500 societies, started first as little stores to supply members with groceries, and reaching in many cases the stage of employing a few members in manufacturing textiles, shoes, and furniture. In 1834 this movement suddenly collapsed. The capital of the societies was scanty, consisting at the start of a few shillings from each member, and not being incorporated, they were exposed to fraud from their officials. Some failed in connection with labor exchanges, promoted by Robert Owen, from whose teachings coöperation sprang. Articles offered for sale in these were priced according to the time spent in making them, at sixpence per hour, on the socialistic theory, adopted later by Karl Marx, that as labor is the source of all value right prices can be stated in the labor time of a workman of average speed. Articles thus priced too low were soon bought up, while by others priced too high the labor exchanges were choked.¹

The Christian Socialists, a small body of philanthropic gentlemen, setting themselves with noble zeal to solve the problem

¹Most of the information in this chapter regarding British coöperation is taken from "The Coöperative Movement in Great Britain," by Miss Beatrice Potter (Mrs. Sidney Webb).

of labor, in the terrible depression of 1849, were attracted to the idea of coöperative workshops, many of which were then flourishing under the revolution toward democracy in France, though destined soon to collapse there. Among these were men who became noted, including Charles Kingsley and F. D. Maurice, clergymen and authors; Thomas Hughes, J. M. Ludlow, and E. V. Neale, able lawyers. Contributing capital and influence, they started about a dozen small coöperative shops, among tailors, shoemakers, and builders, and assisted other shops of the same kind—among printers, bakers, and blacksmiths. After several years of devoted effort, and loss of capital, the philanthropists gave up in despair. With discord from the start, and selfish effort by individual members at the expense of the group of workers, the shops soon disappeared, or passed to single owners or partnerships. In 1852 workmen on strike started a number of coöperative shops, which like the others soon failed or changed in character.

Coöperation in Name Only became the characteristic of shops that succeeded. Ownership soon fell to one or a few of the abler workers, who hired or discharged the others. About the same time there began to rise in Lancashire, cotton factories built by corporations composed mainly of workingmen. These companies, which have continued to increase and flourish down to the present day, are called "working class limiteds"; but they differ from other corporations only in having many shareholders from the working class, and in allowing, in most cases, but one vote to a member, whatever the number of his shares. The shareholder's interest as an owner was soon found to be different from his interest as a worker, and rules were made to take care of the concern. Giving a preference to stockholders' families in hiring help was stopped, it being found that such help had an influence detrimental to efficient management. Employees owning shares were not allowed to vote for directors, since a number of such employees, by means of wire pulling, could get into office a superintendent who would neglect the company to favor them. Professor Jevons in 1859, investigating failures of coöperative cotton mills, observed that they could not possibly succeed unless working shareholders were made to obey a superintendent who was their servant. The

Oldham cotton operative now prefers to own shares in other mills than the one in which he works, in order that he may have a right to vote for directors.

A Long Succession of Failures. Besides "working class limiteds," which are not counted as coöperative, and which do not share profits with employees or treat them better than do other corporations, many coöperative shops arose in England after 1849-53. The failures of that short period having passed from view, another wave of productive coöperation spread over the country in 1865 and later, during which the trade unions lost \$300,000 in coöperative machine shops. Of some hundreds of coöperative shops known to have existed before 1870, only three remained in 1891, when Miss Potter wrote; and there had disappeared about a hundred started after 1870. There were in active existence in 1891, conducted by producers (excluding joint stock companies, and productive works carried on by societies of consumers), 74 manufacturing and 5 farming societies, doing a yearly business of \$2,213,618. But of these only eight were self-governing workshops or brotherhoods, on the ideal of the Christian Socialists, employing members solely, and choosing the manager from themselves; while of these eight four had sales under \$5,000 each. In another small class of societies the members had bound themselves to, or had had imposed on them, an irremovable manager or committee, whom they had to obey. One society of building contractors had 179 working members, but by share-owning and term-of-service qualifications only 40 were allowed to vote. A class of 21 societies, self-governing but hiring outside labor, was said by Miss Potter to consist practically of small masters, sweating non-members employed, and not knowing the coöperative spirit. In a fourth and final class the bulk of the stock was held by outsiders, who controlled as in ordinary corporations; the workers were encouraged or obliged to take in stock a bonus allowed them in profit sharing, but were not permitted to act on the committee of management. This class included, among other prosperous concerns, the noted Hebden Bridge Fustian Works, started in 1869, and employing over 300 persons.

Productive Coöperation in Great Britain To-Day is more extensive and prosperous than it was at the time of Miss Pot-

ter's survey of it in 1891. Not counting 30 societies engaged in farming and dairying, there were in 1901 productive (manufacturing) societies to the number of 136, having 32,434 members, a share and loan capital of \$6,595,758, an output for the year of \$13,988,985, with a profit of \$905,612; and paying to their 8,007 employees \$2,038,667 in wages and salaries, and in profit sharing a bonus of \$83,713. Productive branches were also carried on by the English wholesale society and the Scotch wholesale society (described further on), with 14,232 employees in production, and an output valued at \$20,061,467; and (for 1900) by 610 local retail societies, with 15,428 employees in production, and an output valued at \$20,617,155.¹ The 30 farm and dairy societies in 1901 had 1,480 members, 40 employees, a share and loan capital of \$57,751, and an output of \$214,564. The 2 wholesale societies and 83 retail societies farmed 7,593 acres, with a net profit of \$11,790 (included in the figures above for production by the wholesale and retail societies). But in only a small portion of all this production are the workers self-employed, even to the slight extent of profit sharing. The Coöperative Year Book for 1899 gave a list of 54 manufacturing concerns belonging to a union called the Federated Productive Societies, which admits no concern that does not allow "a substantial and known share of the profit," as a percentage of wages, to employees owning no shares; and which does not give every worker liberty to invest in its shares, "and so become a member entitled to vote on the affairs of the body which employs him." It is likely, however, that in practically all of these the share-owning employees cannot vote for directors, or that in some way the concern is not controlled by its workmen, and hence differs but slightly from ordinary corporations.²

¹Coöperative Union Report, 1902; and Eighth Annual British Labor Report, 1902.

²**Profit Sharing and Stock Owning the Coöperative Features.** Of the 54 all showed a profit for 1899 but 14, the profit varying from \$19 to \$22,138, and aggregating \$175,497; 10 had each a yearly trade above \$100,000, 4 of these above \$215,000, and one of them \$332,000, the total trade for all the 54 being \$3,075,665; 28 showed a dividend on wages varying from 2 to 10 per cent and in amount from \$34 to \$4,463, the total being \$36,555. (*U. S. Labor Bulletin* No. 34, May, 1901.) But not connected with the Federated Productive Societies are coöperative concerns that practice profit sharing.

In the United States productive coöperation has been rare and unimportant. Several factories conducted by the Mormons, in connection with their great coöperative store established in 1869 at Salt Lake City, were carried on by the members as consumers until bought up, with the store, by about 800 of their number as stockholders.¹ This store and its factories are similar to the large English coöperative stores described further on. The Oneida Community, Limited, which in 1900 had a capital of \$750,000, with large factories in Western New York, was a communistic society for about thirty years until 1880, when its property was passed to a corporation, each member being given shares of stock for his previously undivided interest. The Amana Community in Iowa (1,800 members) has now several long established and prosperous cotton and woolen factories employing some hundreds of people; while the Shakers and other similar coöperators have engaged in manufacturing. Aside from these religious communistic societies, and from a number of factory enterprises carried on by Mormon corporations in Utah with some coöperative features, the principal case of productive coöperation in America is that of the Minneapolis coopers. Of eight shops existing in 1886 four survived in 1896, having a total membership of about 260 working coopers, and doing an aggregate annual business of about \$720,000. It seems that since then they have not grown. "Outside of these associations, scarcely anything of the kind exists in America. The few small coöperative mines in Illinois are said by the state mine inspectors to have a bad effect on wages in their neighborhood by their readiness to sell coal at any price when trade is dull. The so-called coöperative furniture factories of Rockford, Ill., are really joint stock companies, with small shares widely distributed among employees. Disaster has recently overtaken many of those at Rockford. Where

For the year 1901 a total of 160 societies paid to 12,706 employees profits to the amount of \$163,167, which was nearly 5½ per cent on wages. One of these societies was the Scotch wholesale, which paid to its 4,702 productive employees profits amounting to \$36,022, being three and one-third per cent on wages. Ninety-nine others of the 160 were productive departments of retail societies, leaving 60 productive societies proper, including 11 engaged in farming. (*British Labor Gazette*, Nov. 1902.)

¹C. B. Spahr, "America's Working People," 206.

every stockholder has an equal vote there is some tendency to keep up wages even ruinously, at the expense of profits.”¹ This would be the case with workers owning a couple of shares, to whom the return from their capital invested would be a small matter compared with their wages. In perhaps a hundred instances during the last forty years, small coöperative shops have been started and carried on for a short time by workmen in the United States, disappearing by failure, or passing to the ownership of one or several of the members. There has been some success among wood-workers in St. Louis, and among shoe factory operatives in Massachusetts.²

¹E. W. Bemis, *U. S. Labor Bulletin* No. 6, Sept. 1896.

²**Uniform Failure in American Productive Coöperation.** During the rapid rise of the Knights of Labor, from 1884 to 1888, “scores of coöperative workshops, coal mines, and factories were started all over the country, without any connection with coöperative stores or knowledge of coöperative methods elsewhere. Most of these experiments failed. The few successful ones were transformed into joint stock or private enterprises.” “Coöperation among the trade unions has almost no permanent success, although it has sometimes proved a temporary resource while men were on a strike. Mr. Henry White, secretary of the United Garment Workers, writes that the many coöperative efforts in his trade have resulted in failure because of disagreement respecting the management and the selection of officials, and because the attempt was made to pay higher wages and exact less work than in the other shops. Mr. Henry Weissmann, head of the bakers and confectioners, writes: ‘We have had coöperation in Brooklyn, Boston, Baltimore, and Philadelphia—all unsuccessful. It is lack of education and business qualifications, and more especially the latter, that produced these failures.’” (*U. S. Labor Bulletin* No. 6, Sept. 1896.) Though now and then coöperative shops are still started by men idle on strike, the above quotations from Prof. Bemis as to productive coöperation are perhaps true of the present time.

On the Continent of Europe. In the exhibit at the Paris Exposition of 1900, France had a list of 110 productive societies, many of them successful, and some of them old and well established. “Coöperative production has not had any striking success in Germany, according to Dr. Albrecht. A great many societies have dissolved after a short existence, and of the 193 reported as now alive, very few are properly organizations of workmen.” (N. P. Gilman, *U. S. Labor Bulletin* No. 34.) As no other country is particularly mentioned by Prof. Gilman in connection with coöperative production, or by other writers on the subject, it is unlikely that outside of Great Britain, France, and Germany this form of coöperation exists anywhere in the world to a noteworthy extent.

Distributive Coöperation, conducted by consumers to supply themselves, first attained permanent success in the store established in 1844 by the famous Rochdale Pioneers. Starting with a capital of £28, and a trade of £2 a week, on a back way called Toad Street, the store being kept open two nights a week by the 28 members taking turns, these Lancashire workingmen discovered by experience a few simple principles on which, it is believed by some acute thinkers, industrial society will gradually be transformed. The movement soon spread through the north of England, where the numerous working class were generally becoming united into trade unions, and were eager to know and to advance their interests. So steady has been the growth of this form of coöperation in Great Britain that in this brief account it is only needful to give the immense aggregates it reaches to-day.¹

The Vast Business of British Distributive Societies. The following figures, for the year 1901, are taken from the report of the Thirty-fourth Annual Coöperative Congress. Number of coöperative societies of all kinds 1,648 (1,604 reporting); members, 1,919,555—an increase of 91,902 over the total for 1900, and of a full million over the total for 1890; share capital, \$119,617,131; sales for the year, \$397,465,132; profits, \$44,223,142; investments, including buildings, farms, and factories, \$75,708,314. Of these 1,648 societies, 1,462 conduct local retail stores, with 1,793,770 of the members, \$256,419,310 of the sales, and \$40,169,241 of the profits; 136 are productive and 30 agricultural—described above; 8 are supply associations, described below; 10 are special societies; and 2 are wholesale societies. The English wholesale society has 1,092 members, each member being a coöperative society; its sales for the year in its distributive business (productive business given above) were \$72,750,032; and its net profit from both kinds of business was \$1,625,509. The Scotch wholesale society has a membership of 287 societies; its distributive sales were \$20,541,633; its net profit from both kinds of business was \$1,188,692.

Many Kinds of Business Carried On. The English wholesale has 12 productive departments and the Scotch 8, employing together in their factories 14,232 people, and manufacturing shoes, cloth, clothing, furniture, flour, crackers, soap, etc., for their own trade exclusively. In distributive trade these two societies have 3,237 employees, and the retail societies have 42,954. The largest local society is that of Leeds, which has 48,960 members, a share capital of \$3,606,800, and had annual sales in 1901 of \$7,166,104. To supply their own trade, some of the local societies carry on, singly or united with additional societies for the purpose, flour mills, bakeries, slaughter houses, etc., own and rent dwellings to members, and erect their own buildings. The English wholesale society conducts a bank, owns five ships,

Enduring Elements of Success, as proved by experience in Europe, are unquestionably possessed by coöperative stores. In the early period of the movement, as at present in some places, and has purchasing warehouses in Canada and Australia. In some British cities a majority of the people are coöperators, conducting most of the city's retail business. A sixth of the British population, counting members' families, is now connected with coöperative societies. The supply associations are distinctive in that their stock is owned by a restricted number, who get the profits as in ordinary corporations, instead of being owned by all the customers, each of whom is or may be a member.

On the Continent. France, in 1899, had 1,489 coöperative stores, Germany 1,373, Austria 712, Russia 307, and Denmark 837. In Belgium, as in industrial Europe generally, distributive coöperation is flourishing, there being in Brussels a society which for extent and variety of business compares with the society of Leeds. (*U. S. Labor Bulletin No. 34.*) This Brussels society has 20 branch stores, 12 doctors and several dentists, and spends \$10,000 yearly in caring for sick members. Its people's palace, built in 1896 at a cost of \$240,000, contains a large library, and is used as the headquarters of many trade unions. The Ghent society provides old age pensions, and spends largely in the socialistic propaganda, supporting daily newspapers and many lectures.

In the United States the History of Coöperative Stores is mainly a record of failure, though not to the same extent as the history of coöperative manufacturing. Between 1847 and 1859 "796 of these union stores were started, and 350 of them, mostly in New England, reported in 1857 a capital of \$291,000 and an annual trade of \$2,000,000. Limiting dividends and selling a little above cost, these stores either failed, or were transformed into private enterprises." The next important effort was that of the farmers' society called the Patrons of Husbandry, whose grange stores, started in 1866, "seem to have followed the methods of the union stores, and to have met a similar fate."

The Next Wave of Coöperative Enthusiasm was fostered by the Sovereigns of Industry, between 1874 and 1880, who for two years kept two paid lecturers in the field to instruct the people in coöperation. In 1877 this society had 94 councils, mostly in the Northeast, which reported an average membership of 77, average capital in stores \$884, and total trade of \$1,089,372. Of these stores about a dozen remained in 1896. In another wave many coöperative stores were started by farmers in the South from 1886 to 1892, which soon disappeared in failure. In 1896 Prof. Bemis, from whose article in *U. S. Labor Bulletin No. 6* this information is taken, found 26 coöperative stores in New England, with 10,692 members; and 23 stores elsewhere, mostly in New Jersey, Kansas, and California, with 6,115 members. There were then probably 20 other coöperative stores from which no report was obtained. Of the New England stores, 20 had a total trade of \$1,174,000, or \$114 per member;

gain to members was secured by selling for cash only, thus avoiding losses and hence lowering prices, and also by giving strict attention to quality of goods—advantages not now to be possessed by coöperators in towns having merchants of enterprise. But the main principle of strength in the Rochdale plan, which prevails in Great Britain, and has generally been followed by the successful stores in other countries, is the division of net profits each year as a percentage on each customer's total purchases, after paying ordinary interest on share capital— $3\frac{1}{2}$ to 5 per cent in England, and 5 to 7 per cent in America.¹ This

21 outside of New England had a trade of \$1,198,000, or \$219 per member, not including the great store at Salt Lake City. There were also in 1896, in 32 states, 135 labor exchanges, with about 6,000 members. For articles deposited in these exchanges, a transferable check was given, redeemable in articles on hand, which were sold also for money at current prices. Nothing concerning these exchanges seems to have appeared for several years in periodicals that are usually eager to gather information of such enterprises.

Coöperative Stores in the United States To-Day are more numerous than in 1896—in fact, in some sections another wave of coöperation seems to be at its crest. By reports apparently reliable, California has now more than 60 local coöperative stores, which carry on their own wholesale store in San Francisco; Iowa has 55 stores, and Kansas 32; while in nearly every Mormon town in Utah and Wyoming, perhaps twoscore or more, the people have long supplied themselves through coöperative stores, engaging also at some places in production, but in this generally by means of corporations not wholly coöperative. (*The World's Work* of December, 1902, contains an account of Mormon coöperation—also *Harper's* for April, 1903.)

¹**The Rochdale Plan of Coöperation.** An entrance fee of one shilling gives the right to the dividend on purchases, and also in some societies to the right to vote for directors,—that is, to full membership. In other societies the right to vote is withheld until sufficient dividends accumulate to buy a one-pound share. In America membership is granted in some cases with one five-dollar share, but in others with not less than five such shares. Shares are usually bought back at par by the society from persons withdrawing. The number of shares one can hold is usually limited to 100, sometimes to 40; while a member has but one vote, without regard to the number of his shares, and no proxy voting is allowed. These rules prevent ownership of a prosperous store from falling into the hands of a few persons seeking profits. Usually in America stockholders receive on their purchases a dividend twice as large as that allowed to other customers. In 1895 the average dividend in New England stores was 6.8 per cent. In Great Britain that year only 1.3 per cent of members

dividend on purchases holds trade securely if reasonably good values are offered. Regular market prices are charged, to avoid loss by miscalculating, and to avoid arousing antagonism from merchants, who by selling some staple articles at cost may draw away the less zealous coöperators. Where the coöperative store is vigorous, efforts by merchants to hold custom makes sometimes the regular prices of the town somewhat low.

Especially Favorable Conditions in Great Britain for Distributive Coöperation include the following. First, the British workingman, gaining knowledge and capability from active trade unionism, and rising in ambition, finds in the coöperative society his best or only chance to invest his small savings in a business he can help to manage, and the only way in his household purchases to avoid contributing to capitalistic profits, which are obnoxious in proportion to the degree of socialism he has imbibed. As low wages, and the crowded condition of industry, permit only those of exceptional ability or good fortune to rise above the working class, many left in it are capable of serving well on coöperative boards. This is a reason, in connection with longer experience, why the British trade unions have been managed more ably and successfully than the American. Second, the British movement is strengthened by its perfected organization, by its enthusiastic propaganda, and by the momentum of magnificent success. From the first the societies

received as low as 5 per cent or less, while 54 per cent of members received from 10 to 15 per cent, and 30 per cent of members received over 15 per cent. Present members have the right but no desire to exclude new ones, since the larger the trade the more cheaply the store can buy at wholesale, the better the variety it can carry, and the lower its percentage of fixed costs in rent and salaries. Well managed British stores get as members in some towns the majority of the population. Under these conditions the stock cannot rise above par, nor fall below it unless the store is failing. The Rochdale plan preserves complete democracy, new members being admitted without limit, and the last member having as much power in voting as the first. Very different are societies not conducted on the Rochdale plan. The Civil Service Supply Association, founded in 1867 by London post-office officials, had 40,000 customers by 1891, but only 5,000 shareholders, owning stock worth £125 a share, on which only half a pound had been paid in. It has only good qualities and low prices with which to attract trade, as department stores do, not paying dividends on purchases.

have usually devoted a portion of profits to spreading the principles of coöperation, not only locally, to gain members for the store, but also generally, in order to advance the cause. A great national coöperative congress is held annually, of which most of the societies are members—also an international congress with Continental coöperators. In this way, and by many tracts, periodicals, books, and elaborate statistical reports, with emulation among store managers in efforts at achievement, the best coöperative methods are worked out and disseminated, and new societies aided to reach success. The *Coöperative News*, of Manchester, owned by shareholding societies, has a circulation of more than 50,000. As a means of uplifting the working class, millions of them enter into coöperation with an almost religious zeal, and also many philanthropic persons of influence. Mr. Holyoake, Mr. Neale, and Mr. Ludlow have labored for it a full half century. It has the active sympathy of statesmen, economists, reformers, and authors. The English and the Scotch wholesale societies, in which the local stores, the trade unions, and the mutual benefit societies are financially united, supply goods in the most favorable way, selling to coöperative stores only, returning to them a percentage of profit on their purchases, and protecting them from boycott, sometimes attempted by local merchants, who might turn the regular wholesalers against the coöperators.

American Conditions Are Different. The rise of trade unionism, and of ambitious purpose among working people, is giving coöperation similar success in Continental Europe. But in America the advantage of membership in a coöperative store has been far less important. First, larger earnings here, and rapid growth of the country, have enabled capable workmen to rise with some certainty to better positions, or to engage in independent business—making their energy too valuable to devote to coöperation that mainly benefits others. Second, intensity of regular labor leaves too little strength for coöperative meetings at night designed for business, not for recreation. Workmen here can better afford to pay the merchant in profits than to do his work themselves. The high dividends (stated above) of British coöperative societies are largely due to saving of delivery expenses, members carrying goods home instead

of having them sent. Third, for the consumption of highly paid men in America the varied stock of goods required involves too much capital for coöperators, and too much mercantile skill for managers hired at rather low salaries in order to make dividends. In the intense energy exerted in American business, merchants have generally offered too much in attractive goods and low prices to be competed with by any persons willing to serve for less than the merchant's profits. To many wage workers the saving of a few cents in price is too small to make coöperation worthy of their attention, and often involves really a loss, in view of the choice given up. The common practice among merchants of giving trading stamps, redeemable in pictures or furniture, has no effect on careful buyers unless the goods bought and the prices are as desirable as can be found. Fourth, very few have felt in America that coöperative stores are needed to educate and uplift the working class. From their higher plane here, most of them can rise better otherwise. General opinion has been rather unfavorable to coöperation, regarding it as of doubtful soundness.

But Coöperation in America Has its Field. In building and loan associations, made safe by mortgages, its success has been marked—more so than in Europe, where wages are generally too low, and real estate too high, to admit of owning homes; though similar societies in Germany and Italy have been of immense benefit in lending to farmers.¹ Coöperative fire insurance, paying losses from assessments, has been successful in many American states among farmers when limited to a single

¹**The Usefulness of Building and Loan Associations,** also called coöperative banks, is very great. Their high rate of interest or profit paid to members, not otherwise to be obtained, induces many to save. Members get experience in handling money and property. Borrowing members pay high interest on loans, but the easy payments enable many to get homes who could not do so otherwise. By largely increasing the number of those who save and have property, these associations develop sound citizenship, adding stability to society, and checking destructive political tendencies. For this reason they are opposed in Germany by the socialists, who are loth to see wage workers contented and owning property, and hence interested in preserving the present order of society, but want them to be discontented and revolutionary, that they may be led to seek their welfare from a transfer of all capital and business to the government, controlled by the masses under a visionary extreme of equality.

county, but a disastrous failure as a rule (from agents' expenses, difficulty of oversight, and cost of collections) when extended over a wider area. Also, to a man of property, the small sum saved in cost of insurance is a trifle compared with his large (sometimes unlimited) liability for the company's losses. In not a few communities, after collapse of a system of coöperative fire insurance, the disposition has been for each to confine himself to his own occupation, and to leave fire insurance to those making a business of it, and supplying a kind of insurance that insures. Assessment life insurance, in risks now reaching hundreds of millions, through scores of fraternal orders, has doubtless brought good net results to the people. Its lack of safety, new orders frequently appearing and disappearing, has probably been overbalanced by its promotion of fraternity, by its education of the people in organizing and in attending to business, and by its reaching of many people who would not otherwise have taken life insurance at all.

Highly Successful Coöperation Among Farmers. Coöperative marketing of fruit in California, New Jersey, Ohio, and Georgia, coöperative grain elevators in Kansas, and coöperative creameries and rural telephone systems in a number of states—have attained solid success, and will doubtless increase largely. In each of these four kinds of service, coöperation seems to have special strength, in the fact that without it the farmers are often exposed to monopoly, from combination of the few buyers as to prices, or from difficulty of reaching competing creameries or elevators.¹ On account of

¹**Varieties of Successful Coöperation.** At Paris in 1900 the statistics of coöperation in Germany showed 10,858 credit societies for lending to farmers and others on the building and loan plan, 244 building societies, and 1,193 societies for buying farm supplies. In the latter the Grangers and the Farmers' Alliance have had considerable success in America, obtaining discounts by buying large quantities collectively. Holland reported at Paris 540 of these farm supply societies, 485 coöperative creameries, a few factories for making potato starch, preserves, and beet sugar, and a variety of farm insurance societies. Denmark reported 1,052 coöperative creameries, 25 lard factories, and 400 branches of a society for exporting eggs. Coöperation is also largely applied in Denmark to buying foodstuffs, seeds, and fertilizers. "It is not a rare thing to see a Danish peasant a member of ten coöperative societies, whose administration is for the most part gratuitous on the part of the members." (Gilman.) Ireland reported

individual helplessness in the great distances and unfavorable climate of the Rocky Mountain region, men there have been quite generally drawn by decided gain into coöperation in marketing and irrigating, the Mormons having also been drawn together by their religion. Moreover, under the recent change to coöperation of an established wholesale business in Toledo and Chicago (the Coöperating Merchants' Company), operating somewhat on the English wholesale plan, granges and local coöperative stores or buying societies, the latter of which are now increasing among farmers in America, can profitably market their produce and buy staple supplies. In a compact mining settlement too, if public interest is aroused, and good managers are found, a coöperative store may easily become the largest in town, and the best place for all to buy. The bulk of the population being supported by mines not dependent upon local market, competing merchants have a weaker claim on patronage than in towns where more of the people live on the trade of one another. Wherever, for any reason, a coöperative society can succeed without too much effort, it is probably a benefit to the community. The customary use of so much capital and skill in mere merchandising is at best a necessary evil, to be avoided as far as possible. By doing without the services of merchants, the buyer may save their profit; and turning them from selling things to making things increases and cheapens society's flow of supplies.

Is the Saving Always Real? Undoubtedly it is real to the British workman. The energy he gives to coöperation would yield in probably no other way so much gain, either in money or in valuable experience. It seems to be fully as real with farmers, in the marketing and buying mentioned. What they seem to need, above all else, is up-to-date knowledge of markets—of what to produce, how to grow it best, and how to get the most for it. When shipping beyond the local town they are not competitors of one another; self-interest, in the matter

164 coöperative creameries, but there, as in Holland, other kinds of selling societies had not had the success attained in Denmark, though there were of the latter 102 in Ireland and 12 in England. Of the English stores 75 carried on farming to supply their trade, but there were only 3 farms carried on by workers in coöperative production.

of freights and information, then draws them together. When united, each gets full benefit of the knowledge of the shrewdest, and for a salary easily borne a large society may sometimes get the services of an expert. Marketing crops and buying principal supplies can be combined. In no other way, perhaps, would the energy thus spent by the average farmer yield him so much. The personal association is a valuable feature, affording needed pleasure to persons generally alone at their work, and developing capabilities of leadership and of self-government. The ablest farmer, for helping his neighbors by carrying coöperation to success, may be rewarded, not only with esteem and prestige, and with self-development not otherwise attainable, but also with a considerable saving of money over the best results he could reach for himself alone.

Is Coöperative Production Fatally Defective? With some confidence one may answer yes. In the long record of failure, outlined in the preceding pages, the only reliable means of success yet discovered, it seems, is to give up coöperation—that is, to give up control of the concern by its workers, allowing to them little or no more voice than to outsiders in the matter of wages or management, and making them subject to discharge as ordinary employees. This has been the case, as shown by Miss Potter, with practically all of the British producing societies that have succeeded.¹ Their system of sharing profits with workers is followed by many a private employer also; while in those cases in which a loss has been partly thrown on wages the workers have usually been harmed. As was claimed recently by some north of England fishermen, among whom the pay of men has long been determined to some extent by the catch (the usual rule in whale fishing), working people cannot afford to take the risks of business. Their pay is too near the line of suffering from want to admit of their taking

¹In the consuming societies also, salaried men and employees, who become members as buyers of goods, are not allowed to vote for the managing committee. Likewise in Belgium, where distributive societies carry on a variety of production with solid success, they have learned that in favoring the worker they cannot go further than the ordinary individual or corporate employer whose self-interest is far-sighted. (J. G. Brooks, "The Social Unrest.")

chances. If there have been cases of coöperative production continuing to succeed without depriving the workers of control, it would doubtless be found that for some reason their control was not exercised. Where success comes, as it often has for a time, from the accident of securing an able manager, the will of the workers is in a measure subjected by his strong personality.¹ In such coöperative concerns as the great ironware factories of M. Godin, at Guise in France, and the house decorating business of M. Leclaire in Paris, a well established business was gradually transferred by a philanthropic employer to his workmen, prepared for the change by many years of special training, having able managers in charge to carry out the benefactor's intentions, and having various safeguarding conditions that for generations might relieve the workmen from being thrown on their own resources. Control by workmen seems here to be merely nominal. In other cases of success an employer was perhaps but slightly needed. This might be

¹**Success in Coöperation from the Ability of One Man.** The notably successful coöperative store in Lewiston, Maine, which has added a number of productive branches to supply its trade, consists mainly of a well established department store turned over in 1900 to the society by Mr. Bradford Peck, an able merchant, whose zeal in the cause has been inducing him to give free to the enterprise almost his entire time, besides property worth \$25,000. Its business is described in *The Arena* of Dec. 1901, and Dec. 1902, by Rev. Hiram Vrooman, a writer who expects coöperation to quickly revolutionize society. His oversight of many natural conditions making such changes impossible is similar to that of socialistic writers in general. The great success of the varied coöperative store business at Trenton and Independence, Mo., in 1901-2, seems also to be due mainly to the zeal of one man, another Mr. Vrooman.

Coöperative Success from Religious Power and Obedience. The universal success of coöperation among the Mormons arose not only from their isolation and their helplessness as individuals, but also from several elements that are more objectionable. One of these was the ignorance and poverty of Europeans won to Mormonism by promises of material comforts. Another was the unwholesome power (shown in tithes and in unquestioning obedience) that the Mormon officials gained over their credulous people through a deeply laid system of training in church loyalty. But here too, despite the brotherhood of religion, the coöperative concerns have generally been bought up by profit-seeking stockholders. The Mormon church and its officials, besides large power over the people, have also large wealth, controlling many semi-coöperative corporations. (*Harper's*, April, 1903.)

so in a small shop carried on by a few ; and was probably true to some extent with the Minneapolis coopers, starting before the introduction of much machinery, using a simple and cheap raw material, and supplying a local market of favorably disposed millers. The fifty Rochester polishers who during the last year and a half have been very successful as coöperators—their corporation starting with 34 members, soon reduced to 21—leased their previous employer's equipment, thus obviating the need of capital, and had from the first a guaranteed patronage in doing for him by contract the work they had previously done for wages.

Lack of Capital and of Ability will generally prevent the starting of really coöperative production in this age of costly machinery and complex business. The few who have the aptitude and the opportunity to acquire the high ability necessary can save or borrow the capital, and would have no reason to unite with workingmen in coöperation except to help them philanthropically. The workman fitted for coöperation, the man sufficiently clear-headed to discern how essential is the employer's function, and that his large reward is naturally fixed by the demand for and supply of his ability, discerns also that in coöperation he himself cannot justly or effectually demand more as wages than his labor is worth in the market, with a share of profit according to the capital he has put in. These two payments to him are thus no larger than he obtains in business *not* coöperative. In those surviving trades in which small capital can be made to answer, a few workers united can yet start in business ; but a desire by them for coöperation that is real, for a shop of some size governed by all its workers with any approach to equality, would generally be conclusive evidence of business incompetence. Where there are from two to four workmen of about equal ability, especially when the ability is of different kinds, a partnership may be desirable, which is an old and proved form of coöperation. One or more of inferior ability may be taken into the firm at first for the sake of their capital. But later on, when their capital is not needed, and their connection does not secure valuable trade, they can scarcely complain if the partners having higher ability demand their retirement from the firm. When there are no longer any

obligations of kindness, to retain as a partner a man who is worth no more to the business than an employee, is to give him free the excess he receives as profits over the sum of the interest on his capital and over the wages for which such a man could be hired. Business success is usually difficult enough without dead weights. To be just and desirable, a partnership must be composed of men whose work is equally valuable, or who first receive salaries graded to value of work done, with remainder of profit divided according to each one's share of the capital.

Sound Coöperation in Ordinary Corporations. The facts that equality in value of services is seldom the case with three or four partners, and that liability for and difficulty of controlling one another makes partnership more undesirable as industries increase in size and complexity, indicate the necessity of strong government in a business having many owners. Such government is secured in the corporation. In it the relation of working owners to one another is made just by salaries or wages graded to value of labor performed; but as the buyer of labor, or of anything else, cannot be safely controlled by the seller of it, it was found necessary in England to take away the votes of workers when they hold many of a concern's shares. In a fair bargain each party must be independent. A worker is then as much a hireling of a corporation he partly owns as he would be if working for another concern. It is as a capitalist that the manager must act, or in dealings with workmen the owners will not be represented at all. To object to the manager's so acting would be the same in principle as to be offended because one as a customer may not go behind the counter and weigh goods for himself. To keep undesirable employees because as coöperators they had helped to start a factory might endanger its success, and possibly sacrifice the good workers to help the poor ones. In the ordinary corporation, therefore, controlled by capitalists but in which employees may buy shares, coöperation between capital and labor in an industry seems to be carried as far as human nature will permit. The voting and controlling owners may hold each but a few shares, and be common workmen in other factories, but nevertheless it must be as capitalists that they manage their property. If they managed it for the immediate interest of the employees,

they would soon have no factory from failure, and rightly, since they would then be trying to serve their men instead of serving society, whose demand and purchasing power give to goods and property their value, and give rise to division of occupations instead of barbarous production by each man for himself.¹

Coöperation as the Way to Socialism. Instead of clinging to the old ideal of workmen self-employed, which, in the passing away of small shops, a party of philanthropic Englishmen, following the Christian Socialists, still try to realize in the so-called labor copartnership of those coöperative factories that share profits with employees—Miss Potter and other philosophical thinkers have discovered, in the strong and rapid growth of coöperation among consumers, what is probably nothing less than a practicable way of reaching a large measure of socialism. The ideal of the latter is not to attempt to set up

The Necessity of Wage Slavery. A multi-millionaire owning a majority of a large corporation's stock could not afford—for the sake of his capital invested, saying nothing of justice to other stockholders—to choose himself as its high-salaried president if another could be chosen who would attain better results from the business. There is nothing wrong in the fact that the interests of capital and those of labor are opposed. To be natural, and to perform his duty in the bargaining, each must try to get what he considers his just share of the product to be divided. Aside from fraud and brow-beating, the interests of the other will be taken care of by himself. If the worker is not able to do this, the duty of society is to teach him how and make him able, protecting the weak by factory laws, but not relieving them from bargaining, an exercise that is essential to character of any strength, and of which all are supposed to become capable except children and imbeciles. The socialist's "wage slavery," to the extent of having to deliver what one sells, is universal, and can never be escaped except by abandoning exchange, as in a family of children, and as did Robinson Crusoe, producing for his own consumption alone, and being a slave to nature in storms and seasons. In every bargain each party's freedom to judge what he will do must be absolute, and to his contract, if he has property, he must be held by law, or there will be exploitation and robbery indeed. Any sale of services involves wage slavery. The high-salaried public officials are wage slaves, held to performance of duty by fear of impeachment or of the disgrace of failure, and discharged without compunction at the end of the time of contract. One cannot sell his services and keep them too. The workers would not hire themselves, by any means, under any socialism capable of raising the second crop and keeping the people alive for two years, but would be forced to obedience by authority.

workers somewhat artificially as self-employed profit makers, but on the contrary, to gradually bring as many people as possible to the position of salaried employees, not hired by profit-making capitalists, but by profit-saving consumers. In this direction coöperation certainly presents great possibilities. From conducting the local store, holding customers by retaining to them all profits above the light expenses necessary, the British coöperators have carried their business on the same principles to the extensive wholesaling and manufacturing of the two general societies, and seem to be limited, in performing new lines of service, only to what the total membership can consume, with whom alone do the two wholesale societies deal.¹ From all this coöperative business, the sales amounting to \$400,000,000 a year, profit has been eliminated. After paying interest on capital at the current rate, the balance is returned to buyers in dividends on purchases.² There is complete realization of the reasonable socialistic ideal. Future members, unlimited in number, come in on full equality, paying no tribute to a restricted body of previous members who have monopolized ownership, as in the cases of land rents, and of high profits to successful businesses. Hence, the question of unearned increment of value from growth of society does not arise, nor does that of the increment earned by the labor and risk of previous members, whose service to posterity in this respect (in view of the current profits they receive, and of ab-

¹**“The Evil Magic of Profit Making.”** One reason for not selling to outside merchants is that to admit them thus to the good wholesale values offered would be favoring the rivals of the coöperative retail stores, of which the wholesale society consists. Another is that selling to dealers not sharing in management of the wholesale society would undermine coöperation's democratic constitution, to which is due its educational and commercial success. A third reason is that dealings with outside merchants, by introducing among the wholesale society's officials “the evil magic of profit making,” would tend to close the movement to new shareholders, as in the case of the supply associations, instead of the present eagerness to win the whole nation into its benefits. But the retail stores, though drawn to the wholesale society by its dividend on purchases, are free to buy elsewhere, and do so to a large extent.

²By that great majority of societies which do not share profits with employees, this fact is offered as justification, since as buyers these employees share in the profits equitably with all others.

sence of the cost there is in carrying the accruing value of shares that rise) is small where the movement is strong. For the benefits of sharing the ownership, profits, and high-quality goods of a vast and admirably established business, the return from new members is the aid their trade gives in building it up further for the next generation. Those who start new societies bear some risk, many hundreds of stores having failed in England; but if a store project is supported by enough people to make it a good venture, the money loss of individuals is small in case of failure. In 1901 the number of societies dissolved was 65, of which 9 were productive.

Training for Municipal Ownership. Not only does the growth of the coöperative movement, this "state within a state," permit the indefinite adding of new lines of manufacturing, but it trains millions of coöperators in capacity for collective management and self-government. As a rule, coöperation flourishes in Great Britain where the people have had successful experience in trade unions and friendly societies, but does not rise in communities that have known little of associated effort. Highly significant is the connection between this training and public ownership of street cars, railroads, and the many kinds of municipal service believed by economists to be wise as soon as voters are sufficiently honest, intelligent, and public-spirited. This gradual kind of socialism is to be welcomed. But to establish it to last, voters must so relax partisanship as to hold officials to duty; and workers must become less willing to exact politically for public work higher pay than the same service would sell for in the market, by whose offers alone is value to be determined. Such socialism, which promises immense possibilities of good in the future, requires a standard of ability and honesty as far above that now prevailing in private competitive business, as the standard required by the latter is above that which prevailed under the socialism of tribal times.

Does "the Coöperative Man" Spend Himself for Society Wisely? This name is given to store managers and other salaried men who serve coöperative societies for less pay than they might get elsewhere, being moved by "the coöperative spirit" of brotherhood, and of desire to relieve society from the necessity of paying tribute to the profit maker. There is little

occasion to apply the term to workers for wages, since the danger of lowering rates of pay here is guarded against by trade unions, whose strong influence in the societies, together with the brotherly desire to help the lower class, keeps coöperative wages at the highest level, and deters the stores from buying sweatshop goods. But aside from writers and propagandists in a cause, whose reward must generally come in honor and satisfaction rather than in money, it seems unsound and unnecessary, if coöperation rests on solid principles, that while all others concerned contribute nothing of money value, a few salaried men must give outright the large additional sums they refrain from getting by not going to other employers, or by not engaging in business for themselves. The spirit of these salaried men in doing thus is praiseworthy, but is this true of the gaining by the mass of coöperators from the salaried men's unselfishness? If there is giving to be done to help the cause, why not pay market salaries and lay the tax on all by lowering the dividends?

Lowering Profits and Salaries by Making Ability Less Rare would seem, on the contrary, to be just to all, and to be practicable where spread of ability is not balanced by increase of business complexity. So far as the task of managers in the wholesale societies and the stores is made easier by the effect of the dividend on purchase to hold trade, lower ability will answer, for which lower pay is just. The occasional service of nominally paid boards may be sufficiently rewarded by the satisfaction and honor of benefiting the public. But there seems to be no sound reason why a manager should not get all the market value of his service, as a skilled mechanic in a union exacts all to be obtained in wages and favorable conditions—the former giving what money and influence he can afford to movements that teach people how to care for themselves, as the latter gives toward the expense of unionizing workers in the grades below him. Yet the fact that there are no trade secrets in coöperation, the knowledge gained by managers being given freely to subordinates and the public in reports and addresses, may largely increase the number of men able to conduct stores, reducing market salaries and merchandising profits. Ownership of cotton factory stock by many Lancashire operatives, giving

them access to prices and profits, and other inside information, is said to have fitted many of them for management, and thus to have lowered the salaries of superintendents. As Mr. Hobson points out,¹ increased public education, and especially the saving to the people of monopoly profits by means of municipal ownership, inheritance taxes, etc., will enable more young men to attain that ability by whose scarcity a noted surgeon now obtains enormous fees, lowering these fees also by diminishing the absurdly rich class who are willing to pay them. To avoid paying over great incomes to a few, society is interested in getting rid of monopolies of personal ability, as well as monopolies of industrial trusts. Enabling many more people to attain ability will not only make salaries and profits more obviously reasonable, but by increasing output of goods and services will give all more to enjoy, and more with which to buy of one another. But this interest of society reaches also the cases in which a trade union tries to get monopoly wages by keeping men out of its trade. Nature has made natural capacity scarce enough to insure it a proper reward; whether it be that of the skilled mechanic or that of the eminent practitioner in a profession. Effort to make it scarcer artificially is imposition on the men shut out, and on the public overcharged.

Ought Coöperation to be Encouraged in America. Productive coöperation, by a self-governed body of workers larger than an ordinary partnership, may as well be dismissed as impossible. Associations of farmers, for selling products and buying supplies at wholesale, are doubtless very useful where the individual's means of acting for himself alone can thus be improved beyond the trouble and cost of organization. This is probably the case over a wide field. Clubs and associations for mutual information and protection are useful in all occupations. A number of people apparently find a net saving in the discount to members given by societies for buying books and other things at wholesale. Rochdale stores are doubtless a benefit wherever the values of regular merchants can be noticeably improved upon, and a considerable number, with profit to themselves individually, can unite loyally and intelligently as coöperators. But apparently there are not many places in America where

¹"Economics of Distribution," p. 340.

these conditions exist. That this is true is something to be rejoiced over. It shows that our merchants present a stock so good, and at prices so low, that as a rule their profits are well earned. To begrudge such merchants their profits, with the field open to any one to improve on their service if he can, is as unreasonable as to begrudge the pay of a carpenter whose work in repairing a house the owner might contrive, with waste of time, to do for himself. The less the need for coöperation, the greater the individual liberty and independence. In tribal times people had to live as in a family, in order to save their lives and goods from enemies. In the Rocky Mountain and Pacific states the people must coöperate in order to save themselves from excessive freights, and from the hard rule of nature in giving no rain. The wage worker must coöperate in the building association because the smallness of his income prevents him from meeting the large payments by means of which the professional man borrows at a saving of about two per cent in interest, and with less trouble and risk. City mechanics must coöperate in unionism, because they cannot rise to the grade of employer, like the ambitious and able among them who prefer to remain separate, and because they cannot go and come at will, like the resourceful farm hands and cowboys of the West. Successful coöperation, in short, shows that people are in straits, and cannot help themselves individually.¹

The Less the Need for Coöperation the Better. It would be absurd to wish that we were worse off in order that we might be forced to be more brotherly, as a community may be welded together under the equality of a family by the dire calamity of an earthquake. The fortunate fact is that the doing of their special lines of work by merchants and employers, better than it could be done by the many under coöperation or socialism, leaves the

¹**Coöperation and Morality.** Brotherhood thus forced on people, not chosen, involves little morality, the gain being too near, perhaps, for even that grade of morality appearing in the strict honesty by which men reach success in business. British coöperation is justly called a great moral movement; but if its motive, to benefit one's self by benefiting all, could otherwise be carried out with better results, then its effort would be defectively directed, and hence would be immoral as far as there was knowledge and ability for avoiding the waste of energy.

people free to devote their attention to the unlimited fields of progress whose cultivation is not possible to profit-seeking individuals, but depends on coöperation or brotherliness alone. There is wide opportunity of mutual instruction, of pleasure, and of advancement, in trade unions, in business men's associations, in farmers' clubs, and in literary societies. But the field of coöperation and brotherliness that can never be over-worked, if wisdom be adhered to, is that of government. In many important respects it is generally in a condition of crying neglect. Here there is unlimited need for getting rid of blind partisanship, and for uniting patriotically to improve and enlarge collective action in regard to municipal services, public education, protection of the weak by factory laws, and social betterment in many forms. When in these ways the people are given more knowledge and capability for caring for themselves, they will not be over-influenced by the installment agent, nor by sustaining useless stores will they permit merchandising to be so divided up that retail price will remain unduly high in proportion to wholesale. The only way to save the people, and to keep them saved, is to put them on their feet and teach them individual self-direction. Nothing but continual practice in individual bargaining and deciding will ever keep them able to care for themselves; and when unable to do this no possible arrangement will long save them from neglect and exploitation. Under no attainable brotherliness in coöperation or socialism will the officials, and the strong in general, refrain long from preying in some way upon a mass of people made helpless by being cared for as children. So it has been decreed by nature. Sounder results in character and well-being are therefore to be attained where the unselfish spirit of coöperation can work successfully in these other lines of effort.

The American Coöperative Communities, which have been coming and going for a century—holding property and producing wealth under a common or equal ownership, and comfortably providing for all members according to needs—are exceptions that prove the unsoundness in this age of tribal, communal, or coöperative living and working. Most of those continuing long have been held together by odd religious beliefs, usually with some that are commendable within limits,

but with others that would be unwholesome or destructive doctrines to become prevalent in society. Among the usual characteristics are plain dressing, serious living, and disfavor toward marriage. The Zoarites and Harmonists, two wealthy communities in Ohio, passed out of existence several years ago as organizations, after a history of nearly a century.¹ With the Harmonists "individual ambition began to take the place of the old ideal, and soon the very life and soul of the movement were gone." The Shakers also, the best managed and richest of these organizations, having in 1901 seventeen societies in nine states, have long been decreasing in numbers, having now less than 2,000. They neither marry nor give in marriage. The reason for the passing away of all these societies seems clear. Their plan is contrary to nature's law of progress. As soon as safety permitted primitive people to leave the family in the tribe, individual ownership of land and capital appeared. The only reasons now why a person should live in one of these communities are to help the others or be helped himself. The person receiving such help is weakened in business capacity, self-reliance, and usefulness to society or to himself. The person giving the help is causing that weakness, and hence harming everybody. People were evidently not fitted to spend their lives in the home family when there is no longer the primitive reason of inability to live otherwise. When one becomes a man he

¹**Still Starting and Failing.** The following quotation is taken from Rev. Alexander Kent's article in *U. S. Labor Bulletin* No. 35, July, 1901, in which he describes these various communities. "Mr. Noyes's 'History of American Socialism' (1875) gives an account of forty-five different experiments growing out of the Owen movement in the twenties and the Fourier movement in the forties, not one of which remains. As near as we can judge from the facts obtained, the average life of these experiments was about two years. Nevertheless, 'hope springs eternal in the human breast,' and the last decade of the nineteenth century was perhaps more prolific of schemes and efforts to get out of the competitive struggle, with its pitiful extremes of wealth and poverty, into the coöperative life, with its promise of freedom from these ills, than any prior period in our history. It cannot, however, be claimed, it is feared, that these later efforts give any greater promise of success than the earlier. Something more than a score of these are making a desperate struggle to get a foothold, or to resist the disintegrating influence of their unfriendly environment, but apparently with little prospect of desired success."

must put away childish things, or society will suffer, and he too in the long run, however comfortable his berth may be for a time. A nation composed of large communities living co-operatively, instead of being composed of men and of families supporting themselves individually, would not long amount to much in this age, in wealth production, in progress, or in any real well-being. Man was not created for animal comfort. Even M. Godin's philanthropic and far-seeing provision for the French industrial community bearing his name,¹ will probably not result in permanent benefit to society.

The Principle of Brotherhood is Too Sacred to be drawn on very far. Imposition soon arises—cannot well be avoided, under the best intentions—in united effort that is not kept individually just by definite bargaining and frequent settlement. Services performed by the indolent will not balance those of the industrious, the result being a worse exploitation than any ever ascribed to capitalism by the most frenzied socialist. In many a case one of a group of unmarried brothers and sisters remaining on the home farm, with a loose understanding as to division of work and of income, and no settlements, has spent a long period with far less return for service than could have been obtained otherwise, and parts under a feeling of injustice. From difference of views, this may be the experience where each one tries to be fair. By reason of the evil effects on society, it is almost as wrong for a person to fail to get his own dues as to be guilty of neglect or fraud himself. His failure to protect himself encourages the practice of obtaining without rendering a just return. Even neglect to do his share toward preventing unjust gaining from others is wrong. To be meritorious, instead of blamable, his giving must be to the deserving, not to those who neglect, impose upon, or defraud him. Real altruism is not only to pay as you go, but to see that others pay too. To make them do so is required not only by justice, but by love. Many a son, fully as filial and conscientious as people are likely to be within any cycle of time we need to consider, neglectfully permits an overworked mother to wait on him while at home, spending herself on little services he easily does for himself when away at work. She means well, but the

¹Described in *U. S. Labor Bulletin* No. 6.

effect is to spoil his habits and character. To the person able to work or pay, there can never be, without ruinous consequences, any way of getting things without rendering a return for them at their market value.

Individual Competition is Not to be Run Away From, but as the principle of progress and of strength in human character it is to be reasonably restrained here and there by factory laws, union agreements, and trade associations, and met by such education as will enable the people as a whole to enjoy its advantages and avoid its dangers.¹ When kept reasonable by a few restraints, it is the one force that can secure rewards

¹**The Spirit of Gaining for One's Self.** In British coöperation there seems to be an element of unnaturalness and unwholesomeness in the fear to expose the wholesale managers to the temptation of profit making for themselves. The attention given in the literature of coöperation to decrying profit making is not an indication of strength. The same sentiment appears when some trade unionists oppose piece work on the ground that it promotes selfishness. Among people taking care of themselves a man cannot get profit without rendering a good return for it, benefiting himself no more than others. And with piece workers there is mental incapacity, or a need for piece work's discipline to intelligence, when each cannot perceive what is a just share of the advantages; while there is need for piece work's discipline in self-control and morality when the greed is too eager for willing allowance of justice to each. Generally these difficulties do not arise.

Communists Must Live Apart. "In none of the attempts yet made has the altruistic sentiment been adequate to the task of resisting the strain put upon it by a competitive environment. And this is well, for however numerous the 'others' may be in these colony movements, they are less than drops in the bucket to the 'others' in the world outside, and it is the inexorable law of moral progress that those in advance cannot disconnect themselves from those in the rear. We are all bound together in one bundle of interests, and the progress of the advance guard of the race is measured by the interest it takes in those who are behind." (Rev. Alexander Kent.) Amana Community in Iowa, which has prospered for sixty years, is now being invaded by curious excursionists; such contact with outsiders, giving the younger ambition for gain and for more varied life, may lead to its dissolution after the older members have passed away. (Prof. R. T. Ely, *Harper's*, Oct. 1902.) Going apart into a community, though under mistaken notions the motive of those doing so may usually be good, seems to be nothing else than a vain attempt to shirk the duties of life. Second only to getting a living for one's self and family is the duty of benefiting one's self and neighbors by uniting with them in hopeful effort to cheer up life, and to improve the conditions of the society we have, which has been evolved according to nature, and cannot be changed suddenly by the wisdom of man.

to men according to service, and such rewards alone can raise service to its best and maintain high civilization. To but a slight extent is competition warfare, as in the case of a gas company cutting prices to destroy a rival (a natural monopoly here for the city to own or control). Excepting a few such cases, for all of which means of public control are practicable, competition among intelligent people—not to be deceived—is and must be a reasonable and honest effort to get patronage by deserving it. A hundred are benefited by better service where one is harmed by being left behind; and he, besides having no right to the prize another has fairly won, will eventually be benefited himself by the effect of the latter's superior service to advance the welfare of all. Ordinarily, as shown in various forms of trade spirit, there is no lack of brotherliness among the competitors themselves; but it stops short of the point at which it makes them monopolists, robbing instead of serving.

With reasonable faith and hope in a Creator who knew better than we how to constitute humanity, and by honestly recognizing in our own faults that we are no better than many others whose sympathy we may have by deserving it, we shall find that faithful effort to do our best will make life in the competitive sphere quite passable.

CHAPTER V.

PROFIT SHARING.

An Addition to Wages. Profit sharing is the practice of making an addition to wages of an annual or semi-annual payment of money determined in total amount by total profit realized, and divided among the workmen usually as a percentage of their regular wages. Its object is to promote friendly relations between employer and employees, and to induce the latter, by a share of gain they may increase, to do their best work, and to take best care of machinery and materials. Some companies pay to their employees the same percentage on wages that they pay in dividends to stockholders on the par value of their shares. With dividends at 6 per cent a workman earning \$12 per week, \$624 per year, would then receive also, as his share of profit, \$37.44 extra. Profit sharing, as a solution of the labor problem, awakened high expectations in England before 1870, and again, on both sides of the Atlantic, between 1883 and 1893. It has had most success in France, Switzerland, and Germany. As a payment of money it has fallen into disfavor, having failed in many cases.

The Defects of Profit Sharing are Serious. First, one workman may take a spirited interest in the new plan of extra reward, doing steadily all the year his very best to increase the concern's profits, while most of his fellow workmen may lose their interest soon, and lapse into previous slowness. Whatever his effort, under work by the day, unless it secures promotion, he will get no larger a percentage of the profits than one who has done nothing to increase them, but has just kept himself from being discharged. Second, the workmen as a body may increase their product and add considerably to the year's profits, while from mistake or incompetence the employer may lose all the profits added, and more besides. The extra

effort of the men will then go unrewarded, and it would be strange if dissatisfaction did not arise. Even in solidly prosperous concerns, to which profit sharing is usually confined, the workmen's extra effort might go unrewarded by reason of a fall in selling prices, or of a rise in price of materials. On the contrary, so far as an enterprising employer increased profit by putting in new machinery, or developing new markets, the workmen would get an extra share they had done nothing to earn. Or their extra effort might extract a fair profit from old machinery, and thus encourage the employer not to progress.¹

Exploitation the Rule. Hence, under profit sharing, exploitation or injustice is certain to be the rule, as with socialism, which, though expressly designed to prevent exploitation, would be the most effective means of bringing it about. Since in the profit sharing factory the result of one man's extra effort must be divided with all his fellow employees, every one of them, and the employer too, to avoid injustice, must make extra effort in exactly the same degree. In the socialistic state rewarding according to needs, one man's extra effort, above the lowest that would pass as work, would be divided, before its benefit reached him, among millions of citizens. Of course, the extra effort would soon cease. Under the present competitive system none are exploited who know enough to sell their labor or goods for all to be obtained; and the few not able to do this are being more and more protected by the trade unions, and by the state in factory laws and industrial education.

That Profit Sharing is Contrary to Trade Unionism is another reason why it has failed so generally.² Where losses are

¹The common allowance of a commission to a salaried salesman on his total sales is a fair and effective kind of profit sharing. Such would usually be the case also under the Carnegie Company's system of allowing a share to managers of departments, as in large stores. In each of these cases the extra profit is added by one alone, and the work he does appears in clear figures.

²**Successful Cases of Profit Sharing.** In the Ivory soap factory at Cincinnati profit sharing has long continued very successful. When it was introduced there, about fifteen years ago, the force of workmen were not doing well, being given to petty strikes, and working inefficiently and discontentedly. Perhaps some other concession would have answered as well

shared also, as in some of the British coöperative factories, there is in effect a lowering of wages, which the union cannot permit to some of its members without exposing to the same misfortune its members employed in other shops. The union rate is so adjusted as to leave the bare necessary profit to the employer of average success. By making the rate the same for all employers, they are prevented from saving by nibbling at wages, and from efforts at such nibbling their competition is turned to improving machinery and management. The employer of ability is welcome to what he can gain above normal profit, but if the lower grade employer cannot reach a paying basis under the union rate of wages he must give up the business, and let his trade and his men pass to other employers who can. Such an employer would be a company in which workers had to share a loss.

Profit and Loss Shared in Regular Wages. As workmen are not asked to share a loss, except in the few British cases mentioned, profit sharing is often thought of as one-sided, although both sides understand that the extra sum is to be earned with better work, regular union wages being kept as high as the proper marginal employer can pay for work of usual efficiency. But in making the wage contract liability of loss is considered, wages being kept low enough to provide for it. In this way a share of possible loss is borne by the workmen; and

to win their good will. Moreover, such conditions are needed to give profit sharing a chance, since men already working at the best speed they can maintain are unable to increase it. Also, as the men in the Ivory factory were mainly unskilled and unorganized, they probably were not prepared, as unionists generally are, to discern the defects of profit sharing. It has been suggested that a reason why profit sharing, and paternal helping of many kinds by the employer, have been much more successful in Continental Europe than in England and America (Hadley, 377) is that in these two countries efficiency and wages have generally been much higher than on the Continent, and workmen better unionized. The room for increase of efficiency under the stimulus of ownership is one reason for the considerable success of productive coöperation in Europe; another reason is the small scale of many industries there. Perhaps a favor of any kind from the employer would be well received by a force of passive workers, especially women, and by a force of watchful workers also if the employer's good will were above suspicion. Many of the successful cases of profit sharing were doubtless of the latter class.

as probability of extra profit is also considered in the wage contract, raising the regular rate, workmen thus share in profit too, and hence do not begrudge the employer all the balance left from wages and expenses. It is understood by both sides that the rate of wages is based on the average employer's profits of the present, and is subject to readjustment in case these profits change considerably. When marginal profits rise, raising the regular union rate gives a share of them to the workers of all the employers in town, some of whom may be running at a loss; and may hold the share for some time after profits have fallen—for a time longer than that which elapses between their rise and the increase of wages. Union workmen cannot identify their interests with those of a single employer, and let wages depend on his profits individually, as the foremost employer cannot pay the highest wages he could afford. This system seems thoroughly just, for work at the regular speed contemplated in the wage contract. For extra effort, as shown above, ordinary profit sharing cannot possibly reward individuals justly. Wages at a rate per piece, making daily pay depend on the number of pieces the worker turns out, secures highest justice of reward to workers of different speed, and to varying speed in the same person. This system, described further in Chapter X., generally prevails where it is practicable, and is now spreading.¹

¹Gain Sharing. For using machinery with largest results, and making the most of a busy period of high prices and high profits, two other noteworthy systems of encouraging men to extra effort have been introduced in a few machine shops. One is the moderate *premium plan*, by which the usual day rate—guaranteed to every man suitable for the work—is paid for making so many pieces (the average number), and for extra pieces a smaller sum per piece. The other is the *differential piece rate system* (extreme in reward and penalty), by which a man is paid say 15 cents for each piece when he makes 20 pieces a day, but only 12 cents per piece when he makes but 19. *Gain sharing* is the name applied to these methods (also called progressive wages), the worker getting a share of the gain his extra output brings to the employer, but not getting so nearly all of it as in ordinary piece work, at the same rate per piece, however many may be made. From the difficulty of fixing just rates and times for work that varies, and the consequent danger that the regular pay per unit of effort will be lowered, these systems are generally opposed by unions, and perhaps reasonably; but they will probably be adopted in a number of

Profit Sharing Adopted to Prevent Strikes. But the main objection of workingmen to profit sharing is that it cuts at the roots of unionism. Men bound to an employer by liberal profit sharing would be less ready than others to strike for an increase of the union rate of wages, or for preventing its fall. In fact, to win men away from unionism has been clearly the employer's object in many cases of profit sharing. This was said to be the object with the noted cases of the Briggs collieries in England, and the South London gas works, where the means included also lengthened contract and deferred payment. In practically every case of profit sharing, perhaps, greater loyalty to him is thought of by the employer, and this loyalty is openly urged as an advantage by nearly every writer by whom profit sharing and bonus systems are recommended.

Employers' Welfare Institutions, which embody profit sharing in the form of favorable conditions instead of in extra payment of money, are also regarded with suspicion by unionists, and reasonably when the employer supplying them is disposed to nibble at the union rate. Without that rate fixed, an employer, drawing on the favor he had gained with his men, might easily keep down wages more than enough to maintain institutions for which he was praised as a philanthropist. Many large employers in England and the United States are now following the long settled French and German custom of indirect profit sharing through institutions to promote the welfare and loyalty of employees. Sometimes the employer does

shops having suitable work and ambitious employees. Under rates and times justly fixed, systems of pay by the piece secure perhaps the best possible results in use of plant, development of skill, and equity of individual reward. Reasonable objections to high pressure speed of work are stated in Chapters X. and XVI. Gain sharing systems are described in the *Engineering Magazine* of June, September, and December 1899, January 1900, and January 1901. All systems of pay are described in D. F. Schloss's volume, "Methods of Industrial Remuneration," London, 1898. By these bonus systems large results have been attained in giving ambition to ordinary men. Some machinists of the Bethlehem Steel Company, with whom a bonus system was started in 1901, reached within a year an output more than doubled. Being shown at first the best ways of laying out and doing work, and of caring for tools, the men made the system work automatically, with the minimum of superintendence.

not pretend to bear the cost, or but a part of it. Mining companies in America, which in most cases must start a new settlement and build dwellings to rent to employees, have long made a practice of employing physicians for them, usually also maintaining a hospital, providing for the expense by deducting a dollar per month from the pay of each married workman, and fifty cents from that of each single workman. By some large companies an aid fund is maintained in connection with the medical attendance, from which fund each employee receives an allowance of a dollar a day in case of accident, with the sum of \$500 falling to his family in case of his death from accident while at work.¹ In the danger and isolation of mining, and in the ignorance and poverty of employees, such care for them by the company is necessary at many places to prevent suffering and to maintain efficient work. But with medical attendance and company houses, as with truck payment from the notorious company store, employers have often imposed upon their men by overcharging, and by drawing into the bondage of debt, holding custom by fear of dismissal. At settlements apart from towns, maintaining company physicians, company stores, and company houses—necessary at first—is a good practice later when the motive is to secure good service by really promoting the men's welfare, charging them the minimum profit, or no profit at all. The practice is vicious when the company gains by exploiting men too ignorant and poor to perceive the wrong and leave the employment. The temptation to exploit has proved the need here for protection of the employees by law. The company store is often continued long after growth of a settlement has removed the need for it.

Railway Relief Departments, introduced into England in 1850, and by the Grand Trunk company into Canada in 1873, have been adopted in seven cases by the larger American systems. The first, that of the Baltimore and Ohio, established in 1880, all new men from the start have been compelled to join

¹These are the figures for the Calumet and Hecla copper mining company of Michigan, which donates to the aid fund a sum equal to the total paid in by employees. For two years, up to 1901, no dues were collected, because a sufficient income was obtained from dividends on the company's shares in which the aid fund surplus had been invested.

as a condition of being employed. With previous employees joining was optional. That of the Reading company, and that of the Plant system, are similarly compulsory. In the Pennsylvania company's two departments (one east and one west of Pittsburgh) membership is voluntary, as with the department of the Burlington system, and that of the Atlantic Coast Line. Of the Burlington's employees, 58 per cent were members in 1900.¹

Old Age Pensions for Employees (common in different

Dues and Benefits. A Baltimore and Ohio employee getting \$50 per month must pay monthly to the fund \$1.50, for which he is entitled to \$1 a day for 52 weeks of sickness or of disablement from accident, to \$1,000 in case of death from accident, and to \$500 in case of death from sickness. Employees earning higher wages pay in more and are entitled to more. Figures for the departments of the other companies named are similar. In its first twenty years the Baltimore and Ohio department paid \$6,010,199 to members, and \$1,447,232 for expenses. Its income is from the dues of members, and from interest on the cash on hand. The Pennsylvania company's eastern relief department, during five years to 1900, paid out \$7,797,532, of which the company gave \$1,801,811, in operating expenses, in deficiencies of fund, and in relief to members having exhausted their title to benefits. Employees leaving or dismissed from the service of the Pennsylvania and the Reading companies lose all claim on the relief fund to which they have paid. The Baltimore, the Plant, and the Burlington companies permit such persons to keep up the death benefit feature, the Burlington not requiring that the discharge be honorable. To members leaving the service the Baltimore and Ohio refunded in 1900 dues to the amount of \$5,778. With all these relief departments, an injured employee, or the representatives of an employee killed, must give up the right to sue the company for damages if the aid fund benefits are accepted.

Opposition from Employees. In Indiana in 1901 there was agitation in favor of a bill to abolish, for railway employees in that state, the waiver of the right to sue, and to require a return with interest by the company, to an employee leaving its service, of the monthly dues he had paid. Similar agitation occurred then in Ohio. By the common law, and by statutes in many states, an employee's release of his employer from liability, before an injury occurs, is not valid. But an employee's choosing, after an injury, to accept the aid fund benefits instead of going to law, is a settlement of his claim. In 1896 the United States Circuit Court declared unconstitutional an Ohio law forbidding the usual aid fund agreement by an employee that if he chooses one alternative he shall forfeit the other. (*U. S. Labor Bulletin* No. 31, page 1207.) Employer's liability is discussed in Chapter XXI. A federal law of 1898 forbids compelling present employees to join a relief department. Such as do not join can gradually be dismissed.

forms with large employers in Continental Europe) have recently been provided for by a few of the large American railway companies. Each of the six named above, except the Burlington and the Atlantic Coast Line, adopted at first, as a feature of its relief department, the accumulation of a fund for pensions.¹ The Baltimore and Ohio company, establishing its pension feature in 1884, and bearing all the expense above interest from pension funds on hand, had 328 pensioners in 1901 past 65 years of age, costing annually \$61,174. This company gave yearly for pensions \$31,000 up to 1900—\$75,000 since then. An employee at wages not over \$35 per month, who has been a member of the relief department 10 years, gets a pension of 25 cents a day on reaching 65; employees at wages between \$50 and \$75 get 75 cents a day—82½ cents if members for 20 years.²

Various Forms of Relief. Many of the companies have regarded with favor the brotherhoods or unions of railway employees, because of the latter's benefit features; and perhaps all the railway companies, and many other large concerns, have pensioned a few old or partially disabled employees to the extent of providing easy work at wages not fully earned. Railway companies without relief departments have long supplied surgical attendance to the injured, and borne other expenses of employees in great misfortune. A number of railway companies have also promoted accident insurance, arranging for low rates, giving all or a part of the cost, and sometimes requiring all train men to carry policies. With some of the roads the employees maintain a relief system of their own, unconnected with the company.

²**The Pennsylvania Company** established a pension department on a large scale in 1900, though superannuation allowances to the amount of about \$28,000 a year had previously been granted from the relief fund. This is the world's second largest corporation, employing now about 140,000 persons, the United States Steel Corporation coming first, with 168,000. In devising its plan, the Pennsylvania's committee studied the pension systems of seventy railways in all parts of the world. For the first year the pensions aggregated \$244,019, paid to persons of 30 or more years in the company's service, and past 65. At that age retirement is voluntary; at 70 it is compulsory. Men retired during the year numbered 1,292. For 1902 the total was \$328,403. The amount of a pension is 1 per cent of average annual wages for the last 10 years of service, multiplied by total years of service. One retired at 70, after serving the company 50 years, would thus get half pay for the remainder of his life. Many retired at 70 have probably had low pay for a while as old men. Members of the relief department receive an extra sum from interest on its surplus. Pension depart-

The Motive of the Railway Companies in founding relief and pension departments, as in contributing to the railway branches or club houses of the Young Men's Christian Association, was mainly and properly a belief that money spent in promoting the material welfare of employees, and in gaining their good will, would prove a good financial investment. Railway labor is one of the most dangerous occupations, subjecting employees to great need of special provision to meet the ills of life. The Burlington company's object, as stated by General Manager E. P. Ripley, "was to enable its employees to make provision for themselves and families at the least possible cost to them in the event of sickness, accident, or death. The company has established this department, not only because it has the interest of its employees at heart, but because it believes that the relief department will serve to retain and attract a good class of employees, lessen the amount of discontent caused by

ments were established in 1901 by the Chicago and Northwestern and the Illinois Central companies, and since then by the Southern Pacific, Canadian Pacific, Lackawanna, Standard Oil Company, and other large corporations. The Southern Pacific allows the pension to old employees who have been with the company only 20 years.

Virtues and Faults of the Relief Systems. The benefits are much larger than any insurance company could offer. The railway company gives so much in management and in donations that the cost to employees is about half the cost of equal benefits from accident companies. A valuable feature is the railway company's guarantee of relief fund obligations. Payments the same from men of all ages are a disadvantage to the younger. This the Pennsylvania company is remedying to some extent, admitting now to its service no man who is over thirty-five, and who cannot pass a physical examination. It would be desirable to keep the cost of each kind of relief separate. Mr. W. F. Willoughby, of whose discussion in his book "Workingmen's Insurance" this note is mainly a summary, says the fact that an injured employee's suit for damages works forfeiture of relief fund rights he has paid for, is thoroughly unmoral and contrary to public policy. He says the company's contribution is more than offset by its use of the relief department to protect itself from damage suits, though counting its contribution as part payment of damages recovered might possibly be defended. The correct solution of the question of damages is the usual European law requiring the employer to bear all the liability and all the cost of accident insurance, recouping himself in higher charges to the public, thus making the insurance a part of the cost of production. (See Chapter XXI.)

improvidence, diminish the amount of litigation in cases of accident, and increase the good will of the employees toward the company, and their confidence in the good will of the company toward them." Mr. Willoughby says in substance that while in the relief departments the purpose of the companies, to some extent, was to better control their men, prevent striking, and undermine the influence of trade unions, as well as to protect from damage suits, they also desired sincerely to better their men's conditions, and have done so to a vast aggregate.¹

Objectionable Results. So far as the compulsory relief conditions are objectionable, they count with other disadvantages known to a man when accepting employment. With the voluntary system, they are avoided by not joining the relief department. Nearly half the Burlington employees are not members. Requiring waiver of the right to sue seems clearly unfair, in view of the attractiveness of the benefits to induce employees to join and not to sue, and of the employer's power over men seeking work. But previous payments forfeited in case of suing would be but a slight reduction of wages, which reduction might usually leave the employment still preferable to that of other companies not having relief departments. The same would be true of forfeiture of that portion of the dues which secures the death benefit, the rule with three of the relief departments in case a person leaves the employment. This forfeiture of the death claim, which does not end month by month like sick and accident claims, counts with the pensions, and with the usual system of promotion, to bind the men to the company for life.

Railway Positions Must be Permanent. But the tendency of this binding to undermine trade unionism, making the gains of holding a position too large to admit of ready striking, is less objectionable than in other employment. The conditions desired by unionists—no time contract, weekly payments, and

¹An article on railway relief departments, by Prof. Emory R. Johnson, was published in *U. S. Labor Bulletin* of January, 1897; and in the *Labor Bulletin* of July, 1898, an article by him on the benefit features of the brotherhoods of railway employees. Both subjects are further treated by Prof. S. M. Lindsay, in the *Labor Bulletin* of November, 1901, in a general article on railway employees.

freedom at any moment to strike or to seek another employer—prevail in most occupations, but could scarcely be hoped for in railroad service. First, by reason of its public importance, the business and even the life of people in cities being dependent upon steady inflow of supplies, frequent or occasional suspension by strikes of railroad operation could not long be permitted. Further trouble similar to that of the strikes of 1894 would soon have led to the enactment of laws prescribing the form of contract for railway labor, and requiring notice of intention to leave work. Second, successful operation of a railroad demands a permanent force of men, reliable in habits, trained to alertness and to prompt obedience to orders. It is necessary for the public good that the companies, as they all do, “encourage among their men the idea that their employment is permanent, and promotion open to all, depending solely on faithful performance of duty and fitness for larger responsibility.” Many companies, as far as practicable, employ new men in lower grades only, filling the higher positions by promotion. With few companies can one begin to learn the railroad business when past thirty-five. Third, realizing the necessity of having picked men, and of cultivating good feeling, railroad managers deal liberally with employees, and in nearly all cases recognize their brotherhoods or unions. Hence, unionism does not need here the same preparedness for strikes it has found expedient elsewhere. Railway employees are generally too intelligent and independent to be exploited; and if they were not, the effect of exploitation to lower efficiency and reliability would deter capable railway managers from resorting to it. If by enactment here of the European law, throwing all liability on the employer, the waiver of the right to sue were eliminated, the present relief systems would probably be as favorable to employees as the company’s self-interest could permit. Possibly the gain in efficiency and good will, and the binding of employees to its service, would then prove, even without compulsory membership and without the forfeitures, a sufficient return to a liberal company for the expense and risk of maintaining a relief department.

The Pension Systems Will Result in Good. Undoubtedly the effect of the new pension systems will be to raise the aver-

age efficiency and faithfulness of employees. The pensions being somewhat small, conditioned on the good service necessary to hold a position, and usually distant in the future, they will scarcely weaken habits of thrift among well paid railroad men. Companies sufficiently liberal to pay pensions will usually be good employers to work for, from which a change to another employer would seldom be wise unless made to secure a position of higher grade. To all but a few of the most thrifty, money paid in pensions to men past sixty-five would probably be of more benefit than if paid previously in the smaller addition to wages the pension cost to the company would admit of, as partly this cost is pay for the improved service the company thus secures. Perhaps the pension will always be an extra reward for permanence of service, above the highest sum to which wages could have been raised. Very probably also, for the employees as a class, as well as for the company, the net result of the relief departments, especially if the law is changed as to employer's liability, will be decided benefit above what might otherwise have been attained in higher wages and in greater freedom of leaving the employment. By rapid adoption of pension systems a time is approaching when employees of large corporations must choose their life work early, and with little freedom to change employers except by entering another occupation. As the company will generally be a good employer, the suitable worker will probably, as a rule, rise higher in efficiency, in wages, and in promotion than he could under freedom to change, and his labor will be worth more to society and be better utilized. If the lack of freedom dampens his energy and enthusiasm there will still be an overbalancing loss. But this seems unlikely. These qualities are almost as useful to the company as to him—cannot be dampened without lessening his efficiency; while if his independent capability is so great as to feel the lack of freedom, there will be little risk in his breaking the ties and leaving the service. The indications are that both parties will be too far-sighted to admit of evil effects on the worker's personality. Education of all classes in sound judgment, and in executive capacity, is what is needed to secure good instead of evil from the passing of industry to large corporations.¹

¹Prof. S. M. Lindsay, *Int. Jour. Ethics*, Jan. 1902.

Above Full Union Wages, Welfare Institutions are Desirable. Workmen are right in jealously guarding their wage rate and their unionism. An employer recognizing the latter, which men must maintain or depend somewhat helplessly on his generosity, can create additional good feeling and faithfulness, attracting, developing, and retaining a good class of help, by providing especially favorable conditions in which to work, or by giving a small bonus in money above the union rate, in profit sharing or otherwise. If his sympathy with unionism is real and outspoken, as it may well be in the inevitableness of unionism under the spirit and the conditions of the times, the effect of proper welfare institutions to prevent striking will not make them unpopular with employees. The growing practice among leading employers of providing healthful and cheerful surroundings is to be heartily commended. By neglect in this respect the health and happiness of working people have too long been lowered, and their efficiency also, to the employer's loss and that of society. The staunchest unionists are not so unreasonable as to be hostile to the welfare institutions of the employer who asks no surrender of manly rights, nor attempts to reimburse himself from wages, and who, not posing as a philanthropist nor expecting gratitude, treats his men well because it is the only right way—a way equally as profitable to himself as to them or to society. It is his right, and perhaps his duty, without regard to his men's preference for a bare exchange of labor for cash, to see that anything extra he gives, above standard wages and conditions, takes the form not of money, which may yield him little or no return, but of such institutions and conditions as to him in profits will be as well worth the cost as they are to the men in benefits. There need be no trouble here if the employer's designs are those of straight-forward business.¹

¹**What is Being Done for Employees.** In a great variety of ways many American and English employers, following Continental examples, are now encouraging and uplifting their work people. They provide, wholly at their own expense, attractive rest rooms for girl employees, and smoking rooms for men; bright dining rooms, in which they serve at noon, to supplement cold lunches from "the deadly dinner pail," a few articles of wholesome food at cost, in a few cases giving free between meals a light lunch to young girls; reading rooms, supplied with books and periodicals, a

But All This Must be Done Judiciously. The fatherly care of many French and German manufacturers for employees and their families has doubtless been carried to extremes, weakening

hall for parties, and technical instruction for evening classes, sometimes combining all these features in an elegant club house. The National Cash Register Company at Dayton, Ohio, beautifying its own grounds and buildings, promotes with prizes flower growing and home decorating in its neighborhood. Some companies build attractive homes, to rent at low rates, or to sell on easy terms. President Patterson, of the Cash Register Company, which has perhaps the most elaborate welfare institutions in America, described in the *Engineering Magazine* of January, 1901, the institutions of a number of other American manufacturers. Those on both sides of the Atlantic are described by Prof. N. P. Gilman in *U. S. Labor Bulletin* No. 34, and in his book of 1900, "A Dividend to Labor." He is also author of the standard work "Profit Sharing," published in 1889. The institutions of many American employers are described in *Labor Bulletin* No. 31 by V. H. Olmsted. Those of the N. O. Nelson Company, of St. Louis, manufacturing iron ware, come nearest perhaps to the noted institutions of Leclaire in Paris, of Krupp, and of other Europeans. Those long established at the Peacedale woolen mills of Rhode Island are well known, and also the extensive new system of the Colorado Fuel and Iron Company, which publishes a weekly paper to promote use of its welfare institutions.

"**Social Secretary**" is the name now applied to an expert in the theory and practice of activities by the employer to benefit his work people. A committee of the Cleveland Chamber of Commerce employs such an official who devotes all his time to advising and assisting Cleveland employers in regard to furthering the welfare of their workers. Each of a dozen or more large American concerns has now an experienced gentleman or lady to take care of the relation of personal kindness and responsibility from employer to employee, somewhat as the employer was able to care for it himself in the days of small shops. The object of the very useful American Institute of Social Service, 287 Fourth Ave., New York, is social and industrial betterment; and its methods consist mainly of informing and advising employers as to means for benefiting employees.

The Carnegie Steel Company of Pittsburgh is especially liberal in rewards. It pays on deposits from its men about two per cent more interest than they can get from savings banks, maintains a loan fund for home building, with other institutions, and sometimes rewards men of exceptional merit with a gift of its stock to the amount of thousands of dollars. For injured employees and their families it provides on a scale unequalled. Mr. Carnegie personally transferred to trustees in March, 1901, after selling his controlling share in the business, an endowment fund of \$5,000,000, to provide pensions to injured men or old employees who may come to need without fault of their own, and who would make good use of a pension. This munificent sum was given by Mr. Carnegie to show his appreciation

self-reliance and capability. No kind of benefit should be supplied to employees that is already within their reach; and in return for what is done for them there should be no expectation of their giving up what they justly value more highly. Apparent lack of appreciation by union men of welfare institutions, as shown by the strike of 1901¹ in the National Cash Register factory, springs very probably from sound independence, in the feeling that unionism must be guarded at all hazards, and that to have even benefits thrust upon them from above, with no choice on their part, is too undemocratic for this

of the faithful services that had contributed to his stupendous success. (By acknowledging a reason for showing such appreciation he must have meant faithfulness in good or extra measure for the wages paid, or in better measure than could have been expected from other men who might have been hired. Or he may have felt that men associated with him deserved some share of extra good fortune that came partly by chance, not wholly from his own good management.)

Strikes in Cases of Profit Sharing that became noted occurred in 1875 at the Briggs collieries in England, and about ten years later at the Brewster carriage factory in New York. Unreasonableness of workmen in such strikes may be partly excused by the natural effect of profit sharing to awaken suspicion as to whether the employer's generosity is genuine (above what wages and conditions ought to be), especially when his recognition of the union is not obviously cordial. Profit sharing, if workmen were not watchful, might easily be degraded to tipping or bribing them not to rebel against conditions that were unjust, by which the employer gained more than the profit sharing cost. In fact, the mere offer of profit sharing, unless intended to be earned with faster work, might be a confession that wages were lacking. Much frankness on the employer's part, in revealing the facts of his business, would be necessary to make profit sharing satisfactory to the workman of independent spirit, unless wages and conditions were all that could be asked. Where these are lacking it is not strange that there is a tendency to resent the employer's offer of gratuities. Very often the resentment has not arisen from the men's unreasonableness or unprovoked suspicion, but from clear discernment that with a showing of benevolence the employer was spinning a web for their exploitation.

Generosity Under Socialism. But workers of socialistic ideas, who in the matters of an employer's generosity and of charity are so bent on asserting rights and liberties, and so touchy as to receiving gifts, do not seem to notice that benefit to them from socialism would be a gift from others, over and above their increase of opportunity and of ability from unearned incomes spent by government in free or cheapened services. The socialistic government's income would have to be spent in services used by all, such

country and this age. Professor Ely has shown¹ that in the model factory town of Pelzer, S. C., which the cotton mill company owns and rules autocratically, the attractive conditions are unnatural and unwholesome, being separated from the liberty that is essential to self-reliant manhood and independent citizenship. The work people there are too nearly in the position of birds in gilded cages. Their status would be unbearable to men of experience in the self-help of unionism. "Philanthropies are a dangerous substitute for honest wage payment, shorter working time, and increased influence over the conditions of the labor contract." (J. G. Brooks.) It was compulsion in renting fine houses, and in other intended benefits, that was chiefly the cause of the bitter strike in 1894 at Pullman, Ill., long considered a model of commendable regard from employer to workmen. Some of the worst strikes in Europe have arisen in connection with welfare institutions. An elaborate system of institutions at the Blanzky coal mines in France was disappointing in results, being regarded with indifference or suspicion, until it was turned over as far as practicable to the men themselves. Since then the various purposes intended have been satisfactorily attained.

The Fact that One Cannot Do Much for People Nowadays beyond encouraging them to help themselves is not to be regretted but rejoiced over, being an evidence of self-respecting manhood, which asks no favors but insists on all its rights, including that of self-direction in personal affairs.² It is well that

as education, keeping relations just by charging demand and supply prices for goods and services not needed by all about equally. On this basis, under the socialism rewarding according to work done, saying nothing of communistic reward according to "reasonable needs," demand for the product of a person's labor would fix his wages, which would differ from other people's wages about as at present. If he got more it would be of the nature of a gift from the larger values produced by abler workers. If he wanted to earn more, he would then, as now, have to produce something of more demand value. Similarly based on charity is the demand of skilled unionists to be retained at high pay in positions for which unskilled workers at their low market pay are preferable to the employer.

¹*Harper's Magazine*, June, 1902.

²"It is a Useful Service of Labor Organizations to destroy not only the old conception of industrial over-lordship, with its harshness, its arbi-

from this attitude, essential to the preservation of liberties and to further advancement, workmen cannot be lured by offers of material benefits. The many who praise the benevolence of the employer fail to notice that even where there is no selfish

trary fines, its compulsory patronage of physician, store, or saloon [when the saloon-keeper is a contractor], but even to destroy those of its implications which are attractive but enfeebling, and to leave in its place, free from all accessories, the naked contract of purchase and sale, unmistakable and even harsh in its definiteness. It is not only to the advantage of the wage earners that this change should take place, but it is to the advantage of all industry and every industrial class, because [under the present spirit of freedom and self-assertion] it is a prerequisite to peace. The old inequality, at its best, means dependence on one side and condescension on the other; in its usual and less fortunate manifestation it means a certain degree of contempt in the employer's mind, and resentment in that of the workman." (A. P. Winston, *Atlantic Monthly*, Nov. 1902.) The objections to depending on the benevolence of the employer under autocratic power are shown by Mr. Winston to be the facts that (1) generosity is rare, (2) competence to decide in one's own case is rare even among generous men, and (3) competition may force the generous to lower wages. The union, by preventing competitors from lowering its rate, saves each employer from being thus forced, and so becomes his ally if he desires to be liberal. Besides, even where the old ideal of benevolent authority appears at its best, in the model factory town, the line is not clear between what comes as a right and what as a gift. Where the employer expects his kindness to be received as the price of abstaining from vexatious demands, it is a gift but is also payment for a consideration—is a kind of bribe when the demands are justified.

Yet as Kindness is Essential Between Equals, as is universally shown in dealings between buyers and sellers in all grades, Dr. W. H. Tolman, of the Institute for Social Service, and Prof. Gilman, are doubtless doing a good work in studying out and recommending the ways in which employers may show kindness wisely. In common buying and selling, where the definiteness of prices and quantities is naked and may be even harsh, the kindness shown is entirely extra, and is furthest from ideas of the relation between superior and inferior; being an acknowledgment from each party that the other is free and equal, and that as authority or undue economic power is out of the question the kindness is all one has remaining with which to win favor. It is precisely for this reason that the many employers (a large majority of all when small concerns are counted) who are thus friendly and frank with their men never have any strikes.

This Sound and Common Fellowship or equality between employer and employee rests not too much on expediency nor too little on benevolence, and is very different from the *social* equality discussed by Miss Scudder in the quotation below. In view of the employer's and the employee's real

design to break up unionism his action is based on old notions of the relation of master to servant, or of superior to inferior. The taking of the responsibility for one's own support and guidance—as now shown in the readiness of common people to resent any gift or help tinged with charity, or any system of requiring them (without their consent as equals in independence) to follow a course of action deemed to be for their benefit—will lead through their own efforts to an incalculably greater uplift than could come from any amount of regard for them by the employer. Willingness to receive help, in its inevitable effect to degrade, makes the help generally a source of harm rather than of good. To be of greatest benefit, helping people must involve the least assumption of their inferiority, and must show the most regard for their own judgment and choice.¹ To one of no reputation some self-respect, in a belief

identity of interest in maintaining mutual good will, and in view of the tendency of unionism to hide this identity with overwrought feelings of class solidarity, Prof. Gilman is undoubtedly right in teaching that to a large extent kindly regard from employer toward employee is to settle the labor problem. In such regard, when it is honestly an addition to just union wages, there are large possibilities of contentment, loyalty, and efficiency. (*Century Magazine*, Jan. 1903.) Here unionism's cry, "Justice, not charity," does not apply. Justice has already been fully rendered in wages and conditions as favorable as the union can exact from employers on the margin; and there is no pretense of charity, since the employer is friendly toward his men, as the merchant is toward his customers, because it pays him to be so, and because friendliness is the only Christian attitude. The men are thus satisfied with a sense of right relationship (as near to equality as nature will permit), and are not merely pacified with tips. By such a feeling of sound relationship the cash register company's girls were satisfied when the charge of 1c. for a lunch costing 4½c. was raised to 5c.

Democratic Fellowship, Not Autocratic Benevolence. The unreasonableness of expecting the independent common people of to-day to give up assertion of rights, or to feel gratitude in return for an employer's selfishly or autocratically designed welfare institutions, is clearly shown by A. P. Winston in the article above cited, by Miss Jane Addams in her book, "Democracy and Social Ethics," and by Prof. R. T. Ely in *Harper's Magazine*, Sept. 1902. There is a painful indifference among many of the poor toward social settlements and coffee houses provided mainly free for their benefit, and an instinctive preference for liquor saloons, conducted solely for business gain. "Between fellowship and benevolence the working people draw the line unerringly. The shrinking suspicion displayed by the more

that he *can* prove merit, is the first essential for the action that wins respect from others. When helping wage workers takes the form of right conditions secured by law or by unionism, their part in it leads them to obtain from it the maximum benefit. A practice of influencing his men toward wisdom, morality, and religion is commendable in an employer, but to avoid doing wrong he must allow them free choice, and never force them by means of his control over their positions. Yet in hiring he may rightly select such men as he thinks most deserving and most likely to be influenced beneficially; and his right to reliable service from his men makes it his duty (as the one having most power) to do what he can to suppress liquor drinking by refusing to employ or retain those who indulge in it.¹

Selling Shares to Employees is a sound way of sharing profits, of inducing them to save, and of enhancing their loyalty and zeal. But if the employer needs their savings to add to

self-respecting in the presence of our best intentioned philanthropies is the measure of the sensitive pride with which they realize and resent their social ostracism." (Vida D. Scudder, *Atlantic Monthly*, Sept. 1902.)

But of Course Such Sensitiveness is Overwrought. Association by an upper with a lower class, if it is to exist at all, must spring either from the former's benevolence, or from self-seeking, like that of a political candidate. Such association, sought for its own sake by the upper class, will be very rare unless the person below, by reason of intellect or other excellence, really belongs above. Democracy may make the passage easy from one social class to another, but it will never obliterate the dividing lines, nor change the fact that congeniality runs on a level, not up and down the social scale. To this law of nature sound self-respect is adjusted, and without envy or vain longing. Moreover, the saloon's advantage over the settlement hall, it seems evident, rests less on wholesome aversion to patronage than on preference for sinful indulgence instead of conscientious self-improvement.

¹**Employers Can Solve the Temperance Problem.** "It is perfectly clear to my own mind that the solution of the temperance question is largely in the control of employers. The interests of capital as well as of labor, the interests of religion itself, demand a sober and industrious community; and when employers generally shall demand abstinence from alcoholic drinks as a qualification for employment, the ugly problem, so far as the working masses are concerned, will be far on the way to settlement." (C. D. Wright, "Some Ethical Phases," 56.)

his capital, they are helping him, and perhaps at greater risk than people with little money ought to take. A scheme of this nature is positively unkind and unjust if the business is not so safe and profitable as the employees think it is. Such investment by employees is usually of doubtful wisdom unless the plan recently adopted by a Terre Haute newspaper is followed, which guarantees five per cent at least, and more if earned in profit, and offers par value in cash for any employee's stock when he desires to withdraw. He is thus rightly relieved from the risks of a business with whose management he has practically nothing to do, and whose value has not been publicly determined by frequent sales of its stock in the market. For certainty of good dividends, and for freedom from danger of a fall in value, with chance for favorable sale at any time for cash, such stock can seldom be compared with local building and loan shares or other investments an employee could make. In the desire to own a few shares in a small concern, an employee often thinks of such ownership as guaranteeing his position; but such obligation to him could not be permitted if justice were to be done to other stockholders and to the concern as a whole. An employee whose work is well worth his wages can hold and get positions without owning stock. The Illinois Central Railroad Company's system of selling shares to employees is commendable, since its stock ranks among the best, having paid over one hundred consecutive dividends. It receives deposits from employees to accumulate for purchase of shares, which deposits bear interest, and may be withdrawn at any time. In 1902 stock to the value of \$245,200 was owned by 711 employees, \$11,000 less in amount than the figures for three years before. Many American concerns of all grades, from this great railroad system down to small local enterprises, are now offering shares on favorable terms to employees, especially to leading men on whose best efforts the success of the business depends. This is sound coöperation when the shares are a good investment for the workman's savings.¹

¹Massachusetts has a law permitting corporations to issue to employees shares that are not transferable. This feature may be important, to prevent the shares of employees from falling into possession of competitors. The leading merchant of Jackson sold shares lately to employees on the Terre

Share Owning as an Aid to Unionism. That workmen may be free to strike, with the minimum risk of personal loss, unions are wise in objecting not only to profit sharing schemes for binding them to the employer, but especially to buying homes at places where work can be had from only one or a few employers. But buying shares need not have this binding effect where the stock is readily salable, and men are employed only on merit; and it may give access to information of vital importance in adjusting wage scales. Employees honored like those owning shares in the South London gas works, in being permitted to elect one of their number a director, might at first feel too loyal to the company to oppose it in any way. But they ought soon to realize that an additional half per cent in dividends on a few hundred dollars in shares would be a trifle compared with the gain of even a small increase in wages.¹ They could then use their inside information of the company's profits to raise wages to the proper level, for the few share-holding

Haute plan mentioned above, with agreement by the employees not to sell to outsiders.

¹**The Workman's Small Interest as a Shareholder** is not mentioned when a new system of selling shares to him is hailed by newspapers as a long step toward industrial peace. By the United States Steel Corporation's new system the workman's only gain, over the share buying that is open to any one in the stock market, is an allowance of about \$5 per share from market price, and a yearly bonus of \$5 per share for five years to each man presenting his foreman's certificate to the effect that during the year he has been a faithful workman. To the man earning \$800 or less, who is to be allotted but two shares, the total gain will be \$10 at first, and \$10 a year for five years. (*The Outlook*, Jan. 8, 1903.) In few cases could the ordinary workman buy enough of a concern's stock to change his preponderating interest from that of a wage earner to that of a dividend-receiving owner. Yet it is well for him to buy good shares when the accompanying bonus makes the rate of return very high, as when 27,633 employees of the Steel Corporation bought 51,125 shares during the first month of the offer. It is well also for the company to induce its men to become share owners, especially those in the higher positions. The Steel Corporation's liberal offer in share-buying bonuses to these, based on profits, will doubtless lead them to increase profits materially. Calm judgment will enable any one of the employees to perceive how far to act as a wage worker, and how far as an owner. The holdings will be small enough to leave the men free to watch the wage rate as proper unionism requires, but will be large enough, under the usual effect of property owning, to draw out that effort most effective

employees and all others. The experienced men of such a concern might make their work worth considerably more in wages than was paid for labor of their grade in other occupations. The employer who encourages workmen to buy shares, if he reveals the inner business as he should, indicates his willingness to trust the relation of profits and wages to inspection, as must generally be the case also in profit sharing if it is to win confidence.

Share Owning as a Means of Developing Business Capacity in Workmen. Few workmen can rise out of the ranks of wage earners, but a considerable number can become equal to

and sensible, preventing the ascendancy of that unionism which injures its adherents and all others by exaggerating the ties of class.

Greater Exactness in Justice marks rising civilization. In the tribal family and the ancient village the loose approximation by which, in share of total product and in influence, each received about what value he earned, was as near exact justice as then was possible. Mediæval payment of rents and wages fixed by custom came a little nearer, and much nearer is the bargaining of workers to-day, able to hold back their labor in unionism, or to seek work anywhere. Contrary to the socialistic hope, of a return to old ways of sharing without accurate accounting, under which the worker got too little far oftener than he got too much, spread of intelligence is bringing all relations of life toward a basis of "dollars and sense." The success of French coöperative workshops (165 in 1896 reported 9,029 members, \$5,769,-803 in products, and \$465,175 in profits) seems to spring from continuance among the working coöperators of old time inability to perceive whether one is getting his dues. But the unequalled success of the coöperative stores of Belgian consumers (the total of Belgian societies is now nearly 2,000) is largely due to best modern methods of exacting work and paying wages. As society rises in intelligence the French kind of success will diminish, while the Belgian kind will increase.

Is the Motive in Offering Stock Honest? For the gain to workers in profit sharing and stock owning they have often returned to the employer too much, in extra work and good will, and especially in refraining from demanding the most in wages. But such gain from workers the employer cannot expect hereafter. Though real generosity and fairness will increase, people will learn to perceive in business their individual interests to the uttermost farthing. This is well, since as a rule one who does not try to get all his own tries less to do his part toward others. Admission of workers to any kind of partnership will have to be done on a basis of equality of business judgment. But in such admission, where this equality is frankly acknowledged, there are great possibilities. It was largely by enriching about two dozen heads of departments, with profit sharing bonuses of non-

the employer in bargaining, and in skilled trades nearly all the others, by following these in unionism, can have the benefit of their intelligence. Purchase of shares by employees promotes their rise in business capacity, as does wise unionism and co-operation. It was partly the ownership by many operatives of Lancashire cotton factory shares, giving them access to inside information in many concerns, that enabled the unions in this trade, by judiciously raising wages, to trim profits down to the present level of the bare minimum necessary to keep employers contentedly in business. An industry in that condition is practically socialized. The average employer's income (above interest on his capital and a small allowance for his risk) he would have to be paid as salary under socialism if the demand and supply price of his ability were followed, which price he would doubtless secure in some way, if industry was to continue, and which would be necessary to avoid levying on him a large lump salary tax instead of an equitable percentage in a tax on incomes. The extra profit of an employer with a patent or a reputation is only interest on share value above par, fixed as justly by supply and demand as any other values, which interest the state would have to include in price under socialism, or make a gift to buyers of this article, that it did not make to buyers of other articles, and thus be unjust to persons by whom this article was not used. Ownership by the state of the invention or the business reputation would not change the situation, since the state would have paid for them with the expenditure of its servants' time and ability in their production.

The Solution of the Problem of Labor and Capital is not so far from being known and explained as is commonly supposed. The able and fair-minded thinkers are in practical agreement—

transferable stock, that Mr. Carnegie enriched himself so magnificently. The same policy, with similar good effects, on the employer, his men, and society, can be extended to workers of all grades, by giving right conditions and justly recognizing unionism. Under a turning by employers to this attitude, away from the old attitude of commands not to be questioned, the workers will give up the socialistic objection to saving, and, as Judge Grosscup hopes, controlling ownership of industrial stock will pass more and more from magnates and speculators to the people, with the result of facilitating the solution of political and social problems.

among the economists, the employers, and the labor leaders. The solution seems clearly to lie in agreements, on wages and hours, between an association of employers and the trade union. As described in Chapter XXVII., the problem has already been solved in a few industries. Bargaining on an equality, with a contract fixing wages at the just rate for the grade of labor and the conditions of trade, will be the nearest approach to getting rid of the employer. To usher in the golden age of labor, the task of workmen is to develop and loyally support union officials who can perceive and insist upon the employee's rights, as determined by business conditions, while willingly conceding the rights of the other side. The task of the capitalists is to perceive that recognition must and will be accorded to the workmen's right and duty to unionize, to inquire into prices and profits, and to demand, striking for if necessary, all that the business can properly afford in wages. Mistakes and unreasonableness will continue to occur on both sides, but will become more rare as costly lessons are learned from experience. The interests of the isolated workman, not to be aided effectively by unions, will be protected by public opinion, and by growth of his capacity to bargain and to seek other jobs.

A Prophecy of Future Industry. In the present order of nature value will continue to be fixed by supply and demand. If prices or wages in a trade are too low, there will have to be a change in quantity produced, in markets supplied, or in the number of workers by whom the trade is followed. The socialistic motto, "From every one according to his ability, to every one according to his needs," will tend to be generally realized, since reform of abuses in wealth distribution (Chapter XIII.), with great increase of practical education, will remove stolidity and despair from workmen, enabling and encouraging them to supply their needs by exerting their ability. Aside from a few services free to non-taxpayers, such as education and governmental protection, no larger claim on society than market value of services rendered will ever be recognized long from a man able to work. The pauper's support cannot be made inviting. Railway, street car, and other natural monopolies will be owned or so controlled by the public, while inheritances and land values will be so taxed, that the incomes remain-

ing to the wealthy will be well earned, in carrying investment values, in bearing risks, and by introducing improvements in production. The difference in well-being between the richest and the poorest will not be so great as at present, but there will never be any approach to equality. The envious socialist may build castles in the air of a time when the man of culture must do his share of rough work, but each occupation will continue to fall as at present to those men who by following it alone can serve society best. Men whose ability is rare and in demand will receive large incomes. Since an income will simply be the pay for services rendered, and since men are born with differing abilities, we shall always have a considerable measure of aristocracy, as we now have in skilled mechanics an aristocracy separated from common laborers. Likewise we shall always have the poor, in those who cannot or will not render a service of more than a low value; but society will make every effort to encourage and enable them to produce with greater efficiency. In every relation of life, from a group of children at play to the Congress of the nation, a few are followed as leaders. This inequality of reward seems to have been designed by nature to awaken ambition and promote effort, the prime essentials of progress. If a dead level of equality could not be changed, the inducement would be to sink into the indifference of animals, though even the cattle in the herd are far from being equal. Human nature was evidently intended for achievement, not for comfort.

A Field Will Remain for Men of Small Capital. While in some industries, by increase of machinery, separate concerns will continue to grow larger and fewer, other industries will remain open to men with small capital; but for the great majority of people, except in farming, ownership of industry will mean ownership of corporation shares, and citizenship in the town operating public service monopolies. Yet being confined to these few forms of industrial ownership, after the clearing away of fallacies, and the spread of fair views, will not be felt as objectionable. Each person, high or low, whether paid in profits or in wages, will get the value he produces, and differences of condition will not be greater than nature imposes. In the changes of progress there will always be, at any time, not a

little injustice. To reduce it further and further, and to prevent a return to old conditions, society will have a perpetual struggle. It is on such exercise that mind and character live.



CHAPTER VI.

WHAT MAKES THE RATE OF WAGES?

Quantity of Product and the Four Shares. The money or other wealth paid by an employer to a workman for his service is called wages, and forms the workman's share of the wealth he helps to produce. The three other shares, as discussed in the preceding chapters, fall to the employer as profit, to the capital owner as interest, and to the land owner as rent. Wages depend of course on the quantity of wealth produced. The wage worker's share must be small enough to leave a satisfactory share for each of the three other parties, or they would have nothing to do with this case of production, turning to other use their land, capital, and managing ability. In cases where the product or income is so small as barely to suffice for wages, the other shares do not appear, as with bootblacks and newsboys, though they have some capital in brushes and in stock on hand. Ordinarily, during a year, rent does not change, and the landlord's share must be paid at a fixed sum, whether product is large or small. Uncertainties in amount of product are considered when the rent is previously agreed on. Its share is unimportant in those kinds of business that depend but little upon land or location. Interest, like rent, changes slowly, as was explained, but for any one year the rate is previously agreed on, and must be paid without regard to product. Both rent and interest are often fixed at first by contract for a term of years, the chances being considered as to possible changes in business conditions.

Which Sharer Takes the Balance? The two variable shares are wages and profit. Which is taken out first, and which includes all the balance? For any one year, without decided rise or fall in price of the product, or rise in cost of living, wages

usually remain through the year as they were at the beginning, and are therefore fixed, the employer receiving as profit the balance left, whether large or small. A case might be possible, with a new concern of doubtful prospects, in which the employer would agree with his men, in consideration of their reducing his risk by accepting moderate or low fixed wages, to allow them all that might be cleared in a year above a certain profit that would satisfy him. But in a profitable business such an arrangement would not be considered by the owner, nor in a risky business would it usually be considered by the workmen. Bearing the risk of loss, and having probably raised the business to its high value by costly experiments and advertising, its owner would not allow more above prevailing wages than was necessary to secure the best workmen in the community. As he could thus get all the men he needed, additional wages would be a gift. In a corporation large profits are reduced to the usual rate by rising market value of shares; and an individual business rises in value the same way. A residual share for workmen therefore, under the most liberal profit sharing, could not be large. With their wages fixed at the highest rate, and promptly paid, profit or no profit, workmen are not in a position to demand more. They reasonably prefer the highest regular wages as full settlement of their claim, discounting for immediate cash a share the employer would make larger if left unsettled until the year's profits proved large; though it would then be smaller if profits proved small. In practice the residual theory of wages is not thought of, profits being the leavings of wages and of other expenses.

The Marginal Employer and Wages as a Residue. Another thought in this connection is that workmen efficiently organized, acting together in a time of strong demand for labor (when there are no idle men to compete for their places) might force wages up to a point so high as to absorb all net income above interest and rent at the usual rates, and above the lowest profit for which the employer would contentedly continue in business. Up to this point he would pay high wages rather than lose that lowest profit by closing down for lack of workmen. In that case the employer's share would be fixed, and wages would take all the balance, which might be viewed

as a residue. Wages do usually stand at this point with the concern of average success in profit earning. Such an employer is called a marginal producer. By reason of a combination of unfavorable conditions, which may include poor location, old machinery, and lack of business capacity, he realizes just enough profit to keep him in business. So long as the product of such concerns is required to supply the demand, prices remain high enough to yield them this normal or necessary profit.

Uniform Wages but Varying Profits. But further down the scale of success wages may still be at the highest point while the employer may have to settle an actual loss, by drawing on his capital. There are generally many employers that realize less than normal profit, yet continue in business for a while, in the hope that such profit will eventually be reached. And concerns in the same city of more than average success pay only the same wages, but realize for the employer a large excess above normal profit. Hence, it is often true that one concern's product or income to be divided has nothing to do with the wages it must pay.

A Meeting of Different Forces of Competition. What then determines how much the workman gets week by week, whether high, low, or no profit is left for the employer? The answer is this. The rate of wages is mainly fixed by the meeting of two different forces of competition among employers. One of these forces is their competition to sell goods, which tends to lower prices and rate of profit. The other force is their competition to hire men, which tends to raise wages, and which is quickened by the effect of falling price to increase sales, and hence to require more labor. The wage rate stands at the meeting point of these two forces; that is, the point at which falling price of product and rising wages of labor leave for the marginal employer just the profit necessary to keep him from turning to another occupation.

This is the Upward Limit of Wages. The marginal employers could not pay more in wages and raise their prices accordingly, since artificially price is to be raised only by limiting total supply through a trust, which limitation would reduce marginal profits below the necessary amount, and force some

employers to leave the business. With prices unchanged, reduction of marginal profits by paying higher wages would bring the same result. Foreseeing all this, employers refuse to advance wages, and rather than do so, some of them are prepared to suspend indefinitely. As this suspension would leave some of the workmen idle, to be drawn by need into wage-lowering competition with the others for positions, their union does not enforce such a demand for higher pay unless it believes market conditions will permit the margin to be raised, carrying the customers and the workmen of the suspending employers to others able to pay better wages. The exceptionally prosperous employers, having advantages for producing at lower cost per unit of product, could afford to pay higher wages than their competitors, but have no need to do so, since in the same market there must be the same price for the same article, whether labor or goods, where all the buyers know the conditions. Besides, whatever the ability to pay, under the effect of increasing demand for labor to bring workmen from other towns and other trades, rise of wages to one set of men is checked by competition (for their positions) from others who could do their work. But to this upward limit wages constantly tend in a progressive country, where employers' competition for trade and for men is active, and where workmen, by making demands, supported by readiness to seek other employers, sell their labor for all it will bring. Wages are raised not only by the need of employers for more and more labor, to carry on enlarging and differentiating industry, but also by the growth of intelligence and of bargaining capacity among wage workers, which enables most of them to get all that necessary profit can spare, and this under selling prices as high as in the general level of values can be maintained.

Higher Wages from Higher Profits. The upward limit of wages being fixed therefore by the necessary profit of marginal employers in the occupation involved, it follows that wages may be affected by causes that affect this necessary profit. First, rise in selling price of the goods produced, not balanced by a rise in the materials used, increases profits, and often makes possible a rise in wages. Second, lowered cost of product, through use of better machinery or of cheaper materials, or by

faster work, has the same effect of increasing net proceeds, which are the essential product of the producing concern. Either higher selling price or lower cost provides for increase of wages, before a selling price in either case is lowered by increase in supply of goods, from enlargement of factories and from entrance of new employers into the business. Rise of wages may be considerable before it is checked by inflow of new men from other places, and may be large, in a skilled trade difficult to enter, before it is checked by inflow of apprentices or of men from other trades.

Demand for Labor and Causes of Its Changes. Competition among employers to hire needed workmen, therefore, determines on one side the strength of the demand for labor; while the effect of this demand to raise wages may be balanced by competition on the other side among laborers to get positions. Demand for a certain kind of labor in any one day is measured by the amount of money (or its equivalent) all the employers of that business in the city are willing and prepared to spend that day in hiring workmen at about the prevailing rate of wages. This demand may quickly increase or diminish, and from a number of causes. First, demand for labor may decrease from too great a rise in wages, making a workman's product in some cases cost too much to admit of a profit from its selling price. The demand may increase in some lines from a fall of wages, making the production of some articles profitable to an employer for which previously wages had been too high. Second, demand for labor may change from changes in supply of capital goods ready for use. It may be increased by additions to fixed capital, in new machines just received and set up. It may be decreased by the burning of a factory, leaving the operatives idle, though the rebuilding may increase demand for other workmen—carpenters and masons. Change in labor demand may arise from changes in supply of circulating capital in materials, as when English cotton workers were brought to distress by failure of supply of raw cotton from America during the Civil War; or when building workmen are laid off to await arrival of lumber or brick. Third, demand for labor may be increased or diminished by changes in command over money. A factory might be closed if its owner were suddenly called on to pay as a surety

a sum exhausting his credit as a borrower. A discovery of gold, drawing people and money from afar, would multiply demand for labor in the mining community, but would reduce that demand at places where business was abandoned to enter the more promising field. Fourth,

Demand for the Product of a Business Has the Chief Influence upon the supply of its capital available for wages, and upon its demand for labor. By raising prices and profits, increase of demand for a commodity attracts to its production money capital previously idle or poorly invested. In a time of large unsold stocks and low prices, as during 1893-97, an employer hires few men, whatever his command over money. On the contrary, when the depression finally gives way to brisk demand and rising prices, as in 1898-99, employers quickly spend on wages and materials all the money they can spare and borrow to advantage, and many new factories are built. From extra demand for labor, higher wages then may be offered voluntarily, from competition by one employer to hire men whom another employer wants; but usually, on account of a previous surplus of idle men, some pressure from workmen is then necessary to raise wages, in many cases strikes, entered upon or about to be declared. Yet the wages fund, ready to be paid for labor, was not so large in 1898-99, despite the feverish activity in many lines of business, as it might have been if employers had desired to make it larger. Idle money (command over machinery and materials coming into market as fast as they could be produced) was so plentiful in banks that it was at this very time that interest fell in some states, and that Americans made their first large loans to European governments. But by 1901-02 practically all laborers were regularly employed, and the strong demand for labor had raised wages to the highest level ever known.

Supply of Workmen to be Hired. So much in regard to the demand of capital for labor. What about the supply of laborers to be hired? First, supply of labor, in number of workmen, affects wages much the same as supply of an ordinary commodity affects its price, but with less certainty, and to far less than an equal extent. Commodities may be so plentiful, such as peaches about to spoil on the hands of a shipper, that

they can be bought for less than they have cost. But a workman, no matter how many idle men there are, cannot be hired for less than the cost of the food required to keep up the necessary strength. With no other source of food than his wages, he could not continue to work for less if he wanted to do so. This is the lowest point in wages—enough for the time to support life and strength in at least the laborer himself. In the other direction labor may have, like a commodity, a famine value, as when a man with the one boat in reach may be offered a fortune to save a person from a wreck.

This Lowest Possible Rate of Wages must be high enough, in the long run, to support also a wife and an average of two children, with the help of such labor as the wife and children can perform. With wages too low to support this family of four, population would decrease, since immigrants would not come into a country under such conditions. If there were then as much work to be done as before, wages would rise above this point, from competition among employers to secure needed help from the reduced number to be hired, and would remain higher until population had increased sufficiently to bring wages back to the level of bare support for a family of four. The living afforded by the wages would have to be sufficient to maintain growth in the children, and to afford the parents at least the lowest standard of living with which they would try to work and bring up a family. Just enough pay to do this was what the old English economists, eighty years ago, called natural wages. Unfortunately for the workers and for humanity, wages in that period tended generally to this point of bare support. When wages rose higher from increase of capital and of employment in the early cotton mills, the laboring class then seemed to increase their numbers in as great a proportion, and thus to bring wages back to the natural level. This "iron law of wages" seemed then to be a real and terrible thing. Mostly unable to read, with no knowledge of or hope for a better living in their rank of society, the standard of life with the mass of workers included then only animal comforts and desires. With temporarily higher wages they ate, drank, and were merry in their coarse way, having had no chance to

acquire habits of denying self in the present in order to improve conditions for the future.

The Wage Fund Theory was then much nearer the truth than at present. This famous theory was that the fund of capital destined for payment of wages was a fixed amount, and that all of it was divided among all the workmen there happened to be, giving in any trade an average of high wages to each when workmen were few, and low wages to each when they were many. Until capital increased beyond increase of laborers, a rise in wages was therefore impossible, unless made up for some from the shares of others left unemployed. Quite likely that was about the way the process worked. The wage earners of that day, having unions nowhere except in a few skilled trades, ignorant and poor, to the point of pressure from the approach of the gaunt wolf of hunger, were ready to accept meekly what wages were offered, by shrewd and often hard-hearted employers, with whom they were wholly unable to contend. Thus the wage fund was divided among all that employers cared to hire. Capital also had not yet accumulated to equal the desire in England to embark in the immensely profitable new factory industries. Perhaps the capital in reach (money in hands of employers, or to be borrowed) was then utilized closely, possibly up to the point of being practically fixed at any one time. Thus fixed for a while it may have remained, if laborers, capital, and industry increased at about the same rate. In ordinary times command of money is now usually the chief matter of concern in business, there being generally plenty of materials offered for sale. But perhaps in England a century ago the newly invented machines were not made as fast as they were wanted, nor sufficient cotton produced in America and India. Such was the condition from 1899 to 1902. Steel, coal, bridges, and locomotives were then desired and long waited for, in different countries, by companies having practically unlimited command of money.

The Extent to Which the Theory is True. Money wages are chiefly paid from a variable fund of capital—to only a small extent from sales of current product—the fund varying with the amount of money to be borrowed; and real wages, the goods a workman and his family consume, are obtained from

capital in merchants' stock, which stocks are continually being replenished by a flow of completed goods from capital in materials of various stages of partial manufacture.¹ There is a wage fund, never fixed, but varying continually, chiefly as profits rise or fall, whose changes induce investment of capital in a business or its withdrawal, thus strengthening or weakening demand for labor, and raising or lowering wages. This fund consists of all that employers stand ready to spend in wages, whether the money paid remains from original starting capital, came from recent sales of product, or is yet to be obtained from sales, loans, or additional investment. In some respects it may be true, as Mill said, that a demand for goods is not a demand for labor (spending for luxuries checks growth of capital and of labor demand); but a new or increased demand for goods among consumers, raising prices, and adding to profits, makes quickly a new or increased demand for labor among employers producing these goods, and hence tends to raise the wages they pay. This is especially noticeable at the close of a period of depression, or when a contract is awarded to erect a new building. Real wages, in flow of consumable goods, were a matter of moment in the days of the early economists, when no world system of transportation had yet removed danger of famine. But in ordinary times one seldom thinks of the supply of commodities now in America, where the general desire, among producers and consumers alike, is to have goods rapidly consumed, to avert over-supply and the dreaded dull times. Yet now, as then, both real wages and money wages are determined by the results of past industry that remain for present use. The difference is that now supplies of every kind are so abundant that money or goods desired for any kind of business promising profit seem not fixed in amount, but practically unlimited. In poor countries the old conditions still remain. In the backward districts of the Southern States there is practically no wage fund at all—no regular hiring done, each family farming for itself. A wage fund appears when outside capitalists come to the community and build a saw mill.²

¹F. W. Taussig, "Wages and Capital," New York, 1896. A complete presentation of wage theories is given in Hadley's "Economics," 308-320.

²**Other Similar Funds.** Similar to the wage fund, there is also in every

From What Cause Came the Rise of Wages ? By reason therefore of scarcity of capital, limiting demand for labor ; of a large laboring population rapidly increased, adding to labor

town a fund destined to the purchase of shoes. Its amount shoe dealers try to estimate when they buy their stocks of goods. It is not a fixed sum, the demand for rubbers varying with the weather, and the demand for other kinds of shoes varying with the people's income. There is of course such a changeable fund for every commodity. At the death of Queen Victoria the various funds intended to be spent in London for gay clothing and pleasure shrank down to practically nothing.

The Wage Fund and the Labor Unionists. The wage fund doctrine, accepted generally by economists from the early part of the nineteenth century up to about 1870, brought them into great disfavor with labor unionists, who learned, from their own success in unionism, the falsity of the common deductions from the doctrine, and who as early as 1824 gained from Parliament recognition by law of the sensibleness of their united action. In fact, the wage fund theory seems to have existed chiefly in books, not being regarded in practical affairs. The teaching of the economists was that trade union demand for higher wages must be futile ; nothing but faster increase of capital than of workers could avail ; more pay for some encroached on the share of the fund intended for others, making their pay less ; if wages were too low this year, the amount withheld would be added to capital in the wage fund and fall to labor in higher wages next year, so that labor was sure to get its dues. Of course there can be no such precision in the processes of society. Additions to capital withheld from wages might not raise the rate of the latter for the same men, or the same town, or the same trade. It seems almost as reasonable to say that the buyer in a store need not be watchful as to prices and quantities, since if the merchant gains by cheating him capital will be increased and goods cheapened for next year. Not only would improved prospect of profit induce capitalists to grant wage demands, keeping less reserve and using less in personal consumption, but when the capital fund would be enlarged by exceptional crops, and by exceptional gains on goods exported, wages would not be raised, whatever the fund, if men could still be hired at the previous rate, which would be the case, in absence of united or general demand from them, unless employers became so active in their industries as to take men from one another. And higher wages gained by a strike, and added to prices, would not fall on the strikers if they did not consume their own product to such an extent as to absorb the extra pay, nor on the laboring class at all so far as the commodity was used by other classes. Moreover, higher pay might come largely from curtailment of the employer's personal luxury, not from his savings for capital ; and from his increase of his business income by improving his machinery and his methods.

But the Reaction Against the Wage Fund Was Carried Too Far. It

supply; of consequent inability among workers to enforce a demand for more pay; and above all, of smallness of product by reason of crude methods,—wages in Europe a century ago

was simply inadequate as an explanation of wages, not to be rejected entirely. (Levasseur.) Henry George claimed to have refuted it by showing that the wealth he gets in wages the worker creates first, in the value his labor adds to materials. But very rarely can the employer pass any of this product value over to the worker as his pay, or sell it in time to get the wages from the proceeds. That wages are paid from product, as claimed in F. A. Walker's refutation, is obvious as to the past product of a business that is successful. It was implied that from such product came wages and other capital as well. But in few cases does the worker wait for his pay till the crop is gathered, or does this week's pay come from this week's product. The fund theory did not exclude the matter of efficiency: it was implied that if hired the worker earned his pay at least, and that if specially efficient his came under the regular pay of a higher grade of men.

The Hopelessness of the Worker's Lot was stated in the most extreme form, and as late as 1874, by Professor Cairnes, one of the ablest of British economists, though trade unionism was then coming into full recognition of the laws, and the wage fund theory was being abandoned. He wrote: "The problem of their elevation is hopeless. As a body they will not rise at all. A few more energetic or more fortunate than the rest will from time to time escape to the higher walks of industrial life, but the great majority will remain substantially where they are. The remuneration of labor as such, skilled or unskilled, can never rise much above its present level." It was such teaching, which included the Malthusian doctrine that increase of population, despite growth of production, would continue to keep wages down to the bare subsistence level, that gave to political economy the title of "the dismal science."

Yes Professor Cairnes Was Right to the extent that labor will never get in direct wages more than its market value, nor take a share in wages from the market value of the employer's ability, of use of land, or of use of capital. It is unquestionably true, as stated by Professor J. B. Clark ("Distribution of Wealth," page 2), that there is a market rate of wages, controlled by positive and ulterior laws of industry, and that bargaining can raise wages only locally and within narrow limits. The rate that any shrewdness or firmness of unionism can get is limited by labor's worth—by what the employer can sell its product for. What a wage worker ought to receive, in order to get most enjoyment from life and be most useful, is a matter for himself, in acquiring efficiency, for himself and his union, in selling his labor to best advantage, and for society, in educating him and in enacting wise labor laws. Those unionists who contrive to get a monopoly price for their labor are few, and with most of these the monopoly is short-lived, or its advantage is outweighed by its effect to lessen employment. Where by a new union's demand wages are raised largely, the rate

kept near the lowest point of mere subsistence. How was the laborer's hard lot made easier? There has been less change than one might suppose. Wage conditions still remain but little improved everywhere except in America, the advanced nations of Western Europe, and the British colonies in all parts of the world. In China, India, Persia, Mexico, and even Russia and parts of Spain and Italy, the average pay of common workers affords now little or nothing above bare support.¹ The happier conditions of labor in England arose gradually from several causes. First,

may have been abnormally low, faster work may be required and the slow be weeded out, and the work may change to a grade of higher market value, so that under the larger pay the employer may get as much for his money as before. Unionists show their own belief in the limit to wages by being careful not to demand more than trade conditions warrant. But fortunately, as described in the next few pages, the progress of society, and the worker's growth in efficiency, change to his advantage the relative market values of the several factors of production. (Chapter XIV.)

The Hostility Toward Political Economy has been overwrought. The tendency of socialism has been to ignore nature's laws, and to teach what instinctive sympathy feels *ought* to be; but it is not true, to the same extent, that political economy, ignoring ethics, has been pitiless and inhuman. Its work is to discover nature's laws as they are, and the means of obeying them in society, not presuming to judge as good or bad what mankind cannot change, and not leading society astray by dreaming out Utopias. Unprotesting belief in teachings that seemed to doom the masses to poverty was not strange when they had never yet known anything better; nor was it strange that economists then took unconsciously the side of the ruling classes, and were so slow to perceive and teach that the latter, even to advance themselves, must be active to promote the welfare of all. As there had always been too many people for the supply of food, and mainly because of poor tools, it was natural to lay too much stress on capital, and on increase of material wealth, while overlooking the deeper truth that the way to secure such increase is to promote with good pay and short days the well-being of men. But, as admitted by Mr. Hobson the socialist, these early economists (Ricardo, Senior, and James Mill) had much kindliness, and were then real reformers. Their teachings, corrected and supplemented but not rejected, have been the basis of much of the later social progress. Political economy, in becoming more ethical as C. D. Wright urges, will not cover unpleasant truth to be kind to the workers, but will teach what must be done to make the forces of human nature serve society instead of preying upon it.

¹**Lowest Wages in Different Lands.** This is also true now with perhaps

From an Awakening of Wage Workers, and of their few influential friends, to the brutal and inexcusable hardness of the working people's life, and from their determined demand for higher wages and a shorter work day. Second, from an increase of demand for labor, through a growth of capital and of industry more rapid than increase of laboring population. Third, from larger money proceeds to divide between profit and wages—an increase that came partly at first from higher or steadier selling price, when higher wages had to be paid; and later from further improvements in machinery, enabling each worker to produce more goods than before, bringing the employer larger income from sales, even at lower prices. After the middle of the nineteenth century real wages enjoyed increased materially from a lowering of money prices of food, due to repeal of tariff duties, and to improved transportation from America. Fourth, by forcing employers—through pressure from labor unions and public opinion, and through laws prohibiting young children's labor, truck payment, excessive hours, etc.—to give up toward wages a part of their profits, which, before competition had had time to lower prices, were often unreasonably high when wages were lowest, bringing wealth so fast as to make them greedy, and indifferent to the sufferings of their work people. Never having known the common people to enjoy more than a bare living, it was easy and natural for the employing class, prompted by their own inordinate gain, to feel that God had intended such conditions for the poor. Slaveholders had similar thoughts concerning

a quarter of the population of Great Britain, though both the number and percentage there whose support is below the line of healthy efficiency is much smaller than they were sixty years ago. (Chapter XXI.) In Germany the average living of the working class is more scanty than in Great Britain, though extreme poverty is less noticeable. Of farm laborers in some parts of Italy, it was said recently by an Italian sociologist that Hot-tentots would not live in their houses or eat their food. New York city has a large class of miserably poor people in its slums. Colored farm laborers in the Southern States earn much less money than the farm workers of England, but by reason of cheap food and fuel the former live further above the line of want. Men employed in American cotton mills, averaging in some years little if any above a dollar a day, have a small margin above bare support in the expensive living of the New England States.

their slaves, regarding them as having been "born to serve." No doubt some of these driving employers thought they should have gratitude from their indispensable work people for even such a poor living as their employment afforded. The most exacting of them had been laborers themselves, rising from the ranks, and were unaffected by the generous feelings of obligation to others that mark persons born in an upper class.

Rise of the Standard of Living. And fifth, the gradual tendency of wages upward was made a permanent condition in England (not to be changed long into a movement downward) by a rise in the standard of living and of working among the wage earning classes. Their experience in continuous effort to obtain higher wages taught them soon how to think, informed them of their unnecessarily low estate, and inspired them with a purpose to rise above the level of animal living, into enjoyment of the larger comfort that could easily be afforded to them from their product, and that could not reasonably be withheld. It was long ago, between 1825 and 1860, that self-education and self-help, admirably urged about the same time in the well known books of Samuel Smiles, had already come into common practice among English workingmen. The animal tendency to absorb additional wages by increase in numbers was displaced by use of extra pay for better food and better home furnishings, for books and instruction, and later for savings in banks and friendly societies. The spare time afforded by the shortening of the work day was not usually spent, as it would have been before, in carousing at the public house, but in proper recreation, and in self-education.¹ As soon as a workman's standard of living had been raised to include these comforts, he would not marry unless his wages enabled him to

¹The Poor Are Elevated Slowly. Of course it cannot be supposed that people were ready to use at once every increase of wages in the best way. Nowhere are all workmen doing this yet. As late as 1868 it was said that the specially high wages then paid English and Belgian iron workers were chiefly wasted on drink and coarse pleasure. The extra wages came then before the standard of living had been raised to the point of using them wisely. Those who would elevate the lower classes must have patience, realizing that character is not made in a day. Quite likely many of the employing class of the present, still holding in some measure the selfish views of former times, notice chiefly the drunkenness and waste produced

support a family on the same higher level; nor on a lower level, by reason of feelings of injustice or discouragement, could he work efficiently. Therefore, in time, as the higher standard became general, the higher wages (in the absence of any inevitable reason for lowering them) became necessary to keep up the supply of the required grade of labor. Each addition through wages to food and comfort, and each deduction from the excessive number of hours per day, ranging from twelve to fifteen, increased the worker's strength and intelligence, enabling him, with improved machinery, to earn his wages as well as or better than before. Hence, the rise of the standard of living was accompanied by at least an equal rise in the standard of working. Contrary to the superficial teaching (Chapter XV.) that in order to establish high rates of wages, workmen need only form as a habit an equal rate of spending—wages by no possibility, whatever the workers would like to spend, can be raised to remain above the point at which they leave to the marginal employer only the bare profit necessary to keep him from changing to another occupation; and without monopolizing a trade by unjustly shutting out new men, the level of pay cannot be raised in one trade above the level of other trades requiring the same grade of skill. When wages reach this point they can be raised higher, as stated before, only by increase of total product value at the same cost (for labor, materials, and all else), or by reduction of cost of the same product. A rise of selling price, from which wages can be increased, is too short-lived, as a rule, to raise the standard of living, besides its effect to keep down the real wages in commodities enjoyed. Happily, decrease of cost per unit of product, increasing net money proceeds to be divided between profit and wages, has been going on continually during the nineteenth century.

sometimes by additions to wages, and pessimistically turn away from all effort toward elevating humanity. But in this slow, halting way all human progress has been achieved. The rise of the wage workers to their present high estate, from their apparently hopeless condition a century ago, would seem to be sufficient encouragement for reformers. To every one this is to some extent a matter of personal interest, as well as of philanthropy. Poor people make poor business; and bad people make a community a bad place to live. Improving any one person improves the community's average.

Reduction of Cost of Product has been brought about by frequent improvements in machinery, obtaining from it more and better work; by increase of capital and by improved methods of production on a large scale, affording expert superintendence, best division of labor, and most advantageous buying and selling; and by cheaper raw materials, especially iron and steel, reduced in cost by many inventions for their production, and also by cheap transportation from every quarter, giving a manufacturer the world as a source of supply and as a field of sale. And of nearly equal importance, cost of product has been reduced by increase of intelligence and skill among workers, enabling them to keep pace with machinery improvements—to do more and more work, of better and better quality. In these ways have net money proceeds from product per man been increased, in spite of selling prices that now are only a fraction of what they were formerly, and in spite of a shortening of the work day from 12, 13, and 14 hours down to 8, 9, and 10. From this wonderful progress has present well-being come—high wages and few hours for the worker, high quality of goods and low prices for the consumer; the worker being benefited almost as much by lower prices as by higher wages. This is modern civilization.¹

Not in All Industries, however, has cost of product per worker been continually reduced. Some industries have improved faster than others. But the benefits of improvement have tended to fall equally upon all. In a trade improving fast, the workers, in order to take from the product increase by raising their wages above the level paid the same grade of labor in other trades, must raise their skill accordingly, or men from these other trades, entering theirs, will increase the labor supply, and prevent or check a rise of wages. Neither can employers, in the fast improving trade, retain long the high

¹**Has Machinery Been a Benefit?** John Stuart Mill's statement, that it was doubtful if machinery had lightened the toil of one human being, was well grounded in the terrible poverty and overwork of factory operatives during the half century before 1840, when law and trade unionism had not yet come effectively to their rescue. In another sense machinery has not lightened men's effort yet, since by reason of increasing wants they now strive as much as ever, but they get vastly more in return, and avoid many discomforts, and many wastes of time and strength.

profit at first afforded by a lowering of cost. Other capitalists, entering the business, increase the supply of the commodity and lower its price, thus transferring the chief benefit to all the people as consumers.¹ Where for any reason the product value of a worker already efficient must be low, wages cannot be raised. This is now usually the case in British farming, formerly profitable. Yield of grain per acre is large, but after deducting rent, net money proceeds are now kept low by cheap transportation of products from America. In the poorest parts of Canada, New England, and of the Southern States, rent of land is low, but on a small farm the product is too scanty to afford wages of consequence for hired help. To complain of low wages and of little work where land is very poor, is to complain of nature for not having made it richer. One might as well say the sea ought to be deeper or the sun hotter. After

Necessity and Beneficence of Changes in Society. For either wage workers or capitalists, safe possession of one's present well-being, or hope of improving it, depends usually upon preparedness for some change in one's business, such as adapting one's self to improved methods, or as turning to a similar kind of work or kind of product that is more in demand. As it is in change that improvement consists, upon which human welfare depends, the hardship it generally brings to a few must be accepted as necessary, and prepared for by intelligent foresight. It is not caused by unjust action upon the employers or workers whose product is no longer desired, but by leaving them *alone*, and gaining from purchase of the better and cheaper commodity of others. For the employers or workers left alone, however, to attempt by protective tariff or union boycott to shut out consumers from the new and better supply, is a clear case of *acting upon* or of *attack*, and involves a distinct element of holding up for robbery. The only just claim for patronage rests on furnishing what people want and cannot get better otherwise. When men left producing, each for himself, and followed separate occupations, they voluntarily did so for their own gain, taking the chances; and there was no guarantee from society, as the socialists would try to claim, that as change came then it would not come again whenever reason for it appeared. A progressive business man (by reason of honesty or of fear of being found out) will not usually take advantage of the customer's ignorance by selling him an article which he can get elsewhere to much better advantage. Such a business man wants no trade that is not to the buyer's interest, as well as his own. In society's increasing wants, loss of occupation from the passing away of one industry is more than balanced by the coming of new industries; and the slowness of the changes gives adequate notice to the man who is active to earn his way, and does not want to be carried along.

doing all in fertilizing, in choice of crops, and in improving methods, that could be expected from farmers on such land, their remedy, and that of their wage workers, is to seek better conditions at another place, or in another trade. The same is true of all industries in which product is small or not wanted.

Wages Rise With Prices of products in times of general prosperity, as during the five years following 1897. Higher prices, from brisk demand for goods in all lines, increase the employer's net proceeds, despite the higher prices he must pay for materials, and thus enable him to pay higher money wages, which are maintained by scarcity in all trades of men to be hired, and which, on account of higher cost of living, may give the worker less in real wages than he had before. The high wages of such a period fall when the tide of activity subsides, or when maintained by unionism the workers get little to do, having their wages lowered per year if not per day.¹ Where rise of price does not come to industry in general, but to one or a few occupations, wages in these are usually kept down by inflow of men from other trades, as when net proceeds in one trade are increased by an invention. If the Michigan Supreme Court had not declared unconstitutional in 1900 the state law giving a bounty of one cent a pound on beet sugar, the sugar producers could have retained the bounty without raising wages for common labor. But if they employed skilled men, whose places could not have been filled, these, by threat of striking, might have secured a share of the bounty. Where price rises from monopoly scarcity, as with lumber and copper after 1898, accompanied here with machinery improvements cheapening production, the large gain realized over cost of product, fully 200 per cent with the richest copper mines (cost 5c. a pound, price 16c.), falls as economic rent to owners of the

¹That employees realize their interest in high selling price is shown by the following newspaper clipping of Jan. 28, 1901: "Members of the Railway Employees' Political League of Illinois, having a total membership of 30,000, will make a strong fight against the bill introduced in the Illinois legislature, providing for a reduction of the passenger rate from 3 to 2 cents a mile." It is for the same reason that the Amalgamated Association of steel workers passes resolutions in favor of the protective tariff, which yields their employers great profits. Of the equally great cost to consumers, very little falls on these workers.

monopolized source of supply, appearing in high value of mining company shares. The workers cannot demand more pay than their grade of labor gets from the poor mines, men from which could take their places, though the rich company sometimes pays a little more to promote good feeling and to get the best men. A trust also, which, by purchasing all the plants in a certain industry, obtains a monopoly of supplying its product, need pay no more than the usual wages for its grade of men, whatever its profits. Yet it often pays somewhat more to avoid delay from labor trouble when high profits may not continue, and to avert public opposition to its monopoly, which might be provoked by an appearance of a hard policy toward its wage workers.

Ought the Employer to Pay in Wages All He Can Afford?

The affirmative answer to this question, to some extent at least, seemed to be the doctrine of those unionists by whose influence a certain small city in western Pennsylvania, in 1901, declined Mr. Carnegie's offer of a donation for a library building, on the ground that in getting his wealth he had not paid just wages. Also, in a small city of eastern Pennsylvania, unionists agreed not to use the Carnegie library. This idea is unsound. For labor, as for wheat or cotton (money for which goes mainly to labor used in producing it), the just amount to pay is the price it brings in the market. Under the conditions of supply and demand, that sum measures its worth to those who buy it, with the present distribution of their buying among different commodities. Strict justice requires an employer, in the power derived from his position, not to get extra value from his men by close bargaining or hard driving, but does not require him to pay more than the highest amount paid regularly by others for the same grade of labor. Many an employer, moved by a sense of duty, and oftentimes by expediency, would pay willing workers, contributing to his prosperity, something extra in wages or indirect benefits, even above the extent to which the extra pay caused them to increase their product value, thus making cost of labor slightly higher with him than with others—equalized only by his possession of greater good will from his men. But the same sense of duty, not selfishness, might cause him to withhold the extra pay from men demanding it, under

unsound and harmful notions of their rights. Being simply a gift, since he could hire equally good men in the market at the regular rate, he might reasonably feel that it should be bestowed in some wise way on other and poorer people to be deemed more deserving, whom it might lift up and make more useful to society, without encouraging ideas and hopes never to be realized because contrary to nature.¹

Full Wages Paid by Many Concerns Running at a Loss. It may be true that the employers who pay in wages a share of income too large, considering that little or no profit is realized by them, are fully as numerous as those who from great profits could afford to pay their workmen more. At least, it is certainly true that excess in one direction is balanced by excess in

¹**Generously Paying Three Dollars to Two-Dollar Men.** The late W. S. Stratton, a millionaire mine owner of Cripple Creek, Col., was reported in 1901 to have said he was paying \$3 to \$5 a day for labor he could get for half these prices, his reason being that he was once a carpenter, and ought not to take advantage of his fellow men's necessities. Such jobs as he mentions would yield rent, like land of extra desirableness. A steady position with such an employer, if his \$3 per day were exactly double the wages paid by others, might rent for about \$1.35 per day, leaving the tenant a gain of 15 cents for his trouble and investment. The owner of the position could live on the \$1.35, doing nothing himself; or he might sell his job for a lump sum, say \$1,000. Perhaps the generous employer would not permit such a plutocratic practice. Would it be any less plutocratic for the owner of the job to occupy it himself, while rendering no more value in labor than others rendered for half his pay, and while not earning the extra amount as rent and interest are earned? (Chapters I. and II.) To the extent of the extra amount would he not be as truly a parasite as the idlest son of a landlord in Europe? And would the case be different with a public employee, so far as his pay was above the highest his labor would bring from private employers? (Chapter XV.) In a sense public positions are now bought or rented with election expenses, often reaching \$1,000 for a two-year term in a county office worth about \$3,000 a year, and with the continual effort made to hold the favor of voters or of appointing officers. In corrupt cities the boss is paid with votes and sometimes with a share of the salary. Positions yielding tips are rented by accepting low wages or none.

Gen. W. J. Palmer, of Colorado Springs, it was published in 1901, made a gift that year of \$1,040,000 he had received for 10,000 shares of Rio Grande Western stock, distributing it among that road's officers and employees, from vice-president to section foreman. Positions with such an employer, if it were supposed he would make a gift soon, might bear a price if transferable. The White Star company, after selling its business

the other.¹ The benefit to society from the great profits of the few is that the chance to secure them, as a prize, draws out men's efforts in all the grades of industry, developing capacity, improving machinery, increasing and cheapening society's supplies. Those employers running at a loss, or at a profit below the average, would leave the business if there were no chance of entering the ranks of those realizing a profit above the average. The high profits of the latter, by keeping in business the former, provide for workers the former's employment, and hence, by utilizing labor supply, make the one rate of wages (for all of a grade) so high as it is. Thus the working class are benefited by the high profits of the few, besides their benefit as consumers in cheapened supplies. Under the socialistic plan of guaranteeing at least a fair reward to all, but of allowing to none the great prizes, there could be little if any progress—according to the extent to which equality of reward was made to vary from effectiveness of service.

To Change the Market Rate of Wages When Too Low, the workers, as stated repeatedly in these chapters, must change their location or occupation, or increase their efficiency. Their labor product can thus be made to bring higher wages by making it worth more. To awaken society's conscience to the duty of assisting workers to reach a plane of better living, and of preventing growth of monopolistic abuses among capitalists, is a good effect of socialistic teaching, however impossible and absurd the socialistic proposals may be. Yet the market rate of wages does not, and doubtless ought not, depend much on

in 1902 to the shipping combination, distributed tens of thousands of dollars among its New York employees. Such gifts are about the same as legacies to friends, as are the yearly stock bonuses with which a Wisconsin pump maker nearly doubles the wages of his men. (*Independent*, March 12, 1903.) Ordinarily the same money would benefit society vastly more if devoted to education, or to various reforms. However, for the very large Christmas gifts of money reported as given each year by J. P. Morgan to his clerks, there may be a fair return in exceptional efficiency and fidelity. That would be one way of voluntarily raising salaries. The \$10,000 to \$35,000 each in bonds given in 1901 to 22 leading employees of the Carnegie steel works had been earned under agreement by faithful service.

¹That is, in the expenses and losses of establishing businesses men go as far as they deem the chances of exceptional gain to be worth. See page 15.

sympathy. Where it does depend partly on this, as in the case of European farm workers who, in their ignorance and helplessness, could be hired for less but are not because the employer would be ashamed to offer less—the rate is about as low as will sustain life. Hence, the employer, after all, could not choose to pay less, since he needs their labor continuously.

Is it Right to Pay Wages Too Low to Support Life Decently? A New York city manufacturer of clothing, realizing large profits, ought undoubtedly, by reason of his knowledge of the conditions, to help the sweated and half starved people who do his work—not by the charity gift of paying more for a certain quantity and quality of work than his competitors pay, but in encouraging workers to improve product by offer of the extra pay it would then be worth; by so employing them as to save them from being cheated by sharp subcontractors; and by advising and helping with money the agencies that seek to lead the sweated out of their miserable condition. Instead of making gifts to a few, and leaving them more helpless than before, he would then help to raise wages for all, and to enable them to save themselves permanently. It is of course wrong for an employer, taking advantage of the ignorance and poverty of his employees, to drive them hard and cut down their pay to the lowest point. He may gain in this way for some time, until this policy so lessens their efficiency as to make the cost of their product high. But it is unwise, and wrong too, if he knows the effect as he should, for him to pay, above market wages, money that does not increase product value, and does not make the workers better able to save themselves.¹ Yet it must be admitted that it is wrong to pay market wages insufficient to

¹**The Martyr Spirit in Employers**—commended by Ruskin forty years ago, and urged now by Vida D. Scudder (*Atlantic Monthly*, Sept. 1902)—would not only, if it caused business failure, harm society, and the workers too, more than would their underpayment, but whether failure came or not, wages above value produced would harm the workers still more by turning them from the never to be escaped necessity of *earning* a living under market values, to depend on a benevolence that will never amount to much as a source of livelihood, even though it were solemnly promised. In this matter, as by law in contracts, the essence that binds is a return consideration. By reason of the effect to discourage effort, society could not afford to go far in forcing one by law to carry out a promise of payment where value has not

support life decently unless one is doing his full share to help forward the movements for lifting working people out of such conditions. Payment of such wages may be avoided by employing no persons unable to earn a living wage. Such a practice by many employers, in its effect to throw the poorest on private charity and the state, would tend to lead to effectual means for their permanent relief. Moreover, a practical employer that would take the trouble to see that his sweated workers had enough food, rest, air, and encouragement to maintain full strength, could very probably raise them quickly to the efficiency that earns living wages, and perhaps get back what he advanced to them at first. To this extent one can agree with Mr. Hobson¹ that pay according to needs ought perhaps to be the rule, under both morals and expediency. American farmers would not choose to pay otherwise, though cheapness of food relieves them from liability of loss. Fortunately, in this country market pay is generally well above this level.²

been received, and very few have conscientious self-control sufficient to force themselves to do so. This principle is so deeply (and—by reason of its effects on character—rightly and beneficently) set in human nature that in the world as now known it will never be materially changed; that is, no development of conscience will ever lead society to go far in granting to people what they have not earned. In morals the gaining party's desire to enforce a contract lacking in consideration is far worse than the losing party's desire to break it.

¹See his new book, "The Social Problem," an acute study from the standpoint of moderate socialism.

²**Voluntarily Paying More to Give More Strength.** That British employers also would gain by voluntarily paying enough, above market wages, to keep up full strength, was shown by Percy Longmuir in articles in *Engineering Magazine* during 1902. Arthur Chamberlain, a brother of the Colonial Secretary, voluntarily raised wages in 1903 in his Birmingham factories to a minimum of 22 shillings a week, the sum that Mr. Rountree (Chapter XXI.) regards as necessary to maintain a family in efficiency. For the same reason in England the war, navy, and municipal authorities, and the railway managers, find at each place the cost of living and pay what they deem sufficient, never the lowest sum for which common labor could be hired. This is business expediency as well as morality with employers, but it indicates a depressing dependence in the workers. Labor supply and demand in America permit the wages of very few to fall back thus to the old basis of inability to work on less. However, it is well that on the subsistence level, as well as above it under supply and demand, economics en-

Labor in New Countries Brings High Wages, as capital there brings high interest, because each is scarce in proportion to the many opportunities to use it profitably. With a wide area of free land, as much must be paid in wages as the laborer could earn by farming for himself; and no work is undertaken whose product is likely to be insufficient to bear high wages and still yield satisfactory profit. For these reasons wages in America, compared with the current rates in Europe, have been high ever since early colonial times. The basis of the high wages of new countries is now specially exemplified in the far West. In Butte, Montana, where \$3 a day has long been paid to such common laborers as are satisfactory there, and up to \$6 a day for bricklayers, employers are better able to pay these wages than those in small towns further east are able to pay only \$1 and \$3 to these workmen respectively. Every copper or silver mine worked in Montana either yields money proceeds sufficient to pay these high wages, or is worked in the hope that it will soon do so. With mining as the one indus-

force ethics by requiring payment of the wages needed for social usefulness, in efficiency, in development of abilities, and in buying the goods of others.

The Golden Rule recommended in the following quotation is now faithfully observed by many business men. One having the stamina to help both the workers and himself as just explained in the text would not ask to be relieved of payment if he were in the widow's circumstances, and of course would not desire to remain in a position he could not fill. To avoid weakening the giver's ability to do good, and to avoid ruining the character of the recipient, it is required even by morality that business and charity be kept separate. "The individual who will hold his place, and maintain an effective position in the practical affairs of the world, must repeatedly do the things he hates to do, and file his silent protest, and work for such gradual changes of conditions as will make such hard, cruel acts no longer necessary. . . . Yet even in these cases where we have to sacrifice other people, we must at least feel the sacrifice. . . . We must not turn out the inefficient employee unless we would be willing to resign his place ourselves if we held it, and were in it as inefficient as he. We must not exact the rent from the poor widow, or the task from the sick saleswoman, unless, on the whole, if we were in their places, we should be willing to pay the rent or perform the task. Even this principle will not entirely remove hardship, privation, and cruelty from our complex modern life. But it will very greatly reduce them; and it will take out of life what is the cruelest element of it all—the hardness of human hearts." (Wm. DeWitt Hyde, *Atlantic Monthly*, Nov. 1902.)

try producing wealth from nature, all the merchants, carpenters, and others who serve the mining population and one another, can obtain wages or profits based on the marginal or lowest acceptable return in mining. Its large income and wages set profits and other wages for the community, and make them high, in the same way that in a poor agricultural community the farmer's small income and wage payments set profits and wages in other lines and make them low. Before Montana's large mines were developed high wages prevailed there, because necessary to attract to a distant region the strong and courageous workmen required. Their market rate of pay, high everywhere because of scarcity of their grade of working capacity, was necessarily made higher under Montana's high prices for the commodities composing real wages. Merchants who might come in to compete for the high profits are kept away by the necessity for large capital, by the large risk under the uncertainties of mining, and by the disagreeable features of far Western life. But gradually, in such districts, inflow of people so increases the competition that profits and wages fall, until their excess over the rates prevailing elsewhere is clearly no more than sufficient to balance differences in quality of labor, in risk, in desirableness of the respective locations as places in which to live, and to balance the difficulties of moving and obtaining a foothold.

Wages Not High Where the Natives Work. If the Montana Indians had been willing to work, wages would not have been so high for the kinds of work they could do. The common laborers whose aggressive unions would now keep out Chinamen or other cheap workers, confining the Chinese to a non-competing group in household drudgery, would then never have come to the district, and the Indian's low wages would have prevailed from the first. This has been so with mines opened in Mexico and South Africa, where there is a supply of cheap common labor. Kaffirs in the Kimberly diamond mines are paid about \$1.25 a day. But money wages of skilled workmen must be high there, to induce them to come at large expense to a region so distant, and with such high cost of living.

The Effect of New Industries on Wages is to raise them by

increasing the demand for labor, if the supply is not increased as fast. If the \$1.25 to \$1.50 a day paid to men building a railroad is greater in net desirableness than the local wages with board to farm hands, farmers may have to raise the pay of their best men, or put up with inefficient men unsuitable for the rush of railroad work. Often for a while in such cases, from lack of men, farmers cultivate less land, and do more grazing. But where men come from a distance, giving up there very low wages or irregular employment, or where many are idle, a large addition to local demand for labor may not raise local wages. This is usually the case where a new factory is started. Regular wages are not raised, but it is then easier to find work, and more of the inefficient are hired, who are not taken while others are yet to be had. It is when workmen within reach are already well employed that new demand raises wages materially. This was notably the case in Michigan during the rapid building of electric railways in the busy times of 1901-3. Employers then offered higher pay to induce men to leave other jobs, and wages of common labor rose from \$1.25 up to \$1.75 a day, and besides, the day was usually made an hour shorter. Farm wages, with board, rose from \$15 to \$20 up to \$25 per month, and for the summer months of 1903 some farmers are said to have paid, with board, \$2 a day. Previously, during 1894-97, many had willingly worked at \$1 a day, since for labor's product prices were then low, and by taking less than the regular \$1.25 employers could be given sufficient profit to induce them to hire more men from the idle throng.

Local Farm Wages as Affected by Manufacturing. Varied manufacturing in the north of England has kept farm wages there for many years much higher than in the agricultural southern counties. The same is true of New England in America, as compared with some of the purely agricultural states. By reason of larger population not engaged in agriculture, better demand and higher prices for vegetables, fruits, and poultry yield the farmer a larger income to divide with his wage workers. The latter, knowing the wages paid in the factories for work they could do, must be paid as much on farms. Competition between the farmer and the manufacturer to hire men raises wages by leading each to offer more in order to get the

help he needs. Also, the intelligence of workers in such a community enables them to bargain with employers so as to get in wages all that marginal profits can spare. But the difference is less than it seems. The energy and intelligence necessary to success on a New England market farm, paying large wages, are of a higher grade than are these qualities with ordinary farmers in the South. The latter could not produce enough in New England to pay much in wages; while the New England market farmer, even in those states having the lowest prices and wages, could probably contrive to do nearly as well as where he is. The different incomes of the two sets of farmers, and the different wages of their hired men, are not for the same quality of work.¹

Manufacturing Raises Wages by Raising Intelligence. The chief effect of manufacturing on wages comes, not from increase of labor demand, since in these days of easy traveling labor supply could be increased faster, but from development of industrial quickness and ambition, among wage workers and

¹**High Prices of Farm Produce in New England** are due to the fact that there it is necessary to fertilize poor land. In Great Britain, where soil is rich, high price is necessitated by pressure of large population on a small area, and much of the price falls to the landlord in rent. New England's poor land, and her distance from better (raising marginal cost to put produce in market, below which price cannot fall to remain), have more to do with high prices for produce than have her factories. Move the New England factories and population to fertile Kansas, and present prices of produce in Kansas would be raised but little if at all. Enough more people would grow vegetables to supply the demand as fully as at present. Farm produce at Detroit and Chicago is as cheap as at many a small village in the farming states. Moreover, the produce here meant is of secondary importance—vegetables, fruits, etc. With the staple crops, wheat and corn, which can be kept for months, the price in New York or Liverpool is simply the low price of Dakota with the small freight and selling charges added. From a small product little can be taken in wages, no matter if the farm is in a New York city park, in sight of the best market in the country. The majority of New England farms yield naturally a small product, and if wages per day are high, afford work for but a few days in busy seasons. Far away from factories and cities, where product is large and labor efficient, as in Minnesota and Dakota, wages are higher on farms than in New England.

The Largest Differences in Wages, varying from \$8 in North Carolina for farm hands to \$20 in Nebraska and Illinois, board included in both cases, are balanced by differences in value of labor's product, due partly to differ-

all others. This higher intelligence and energy elevate the standard of living (and of working capacity to maintain it), which forces New England farmers to pay high wages or do without efficient workmen. The many New England farms now being taken up by poor foreigners, content with little and doing their own work, were abandoned because their former owners could not pay the prevailing high wages and make any profit. Those who do pay these wages must put into their farming an extra grade of business capacity, and obtain efficient work from hired men, in order to get a product worth more than its cost. In the black belt of the South, on the contrary, there is no high-keyed activity, among either farmers or laborers. Product is usually scanty, wages are small, and the standard of living is low. If in this, or any other backward farming district, the people could be raised to the New England average of intelligence and industrial capacity, they would soon

ences in the labor's efficiency, and partly to differences in the fertility of the land. There is a similar territorial difference of wages in other occupations, as previously mentioned in connection with Montana mining. If it were not for this balancing—if the difference in wages fell to profits—capital, generally mobile, would soon flow to the place having lowest wages, and raise them by increase of labor demand. Generally, both in farming and in other occupations, the profit is largest where wages are highest, as in Montana, and smallest where wages are lowest, as in the most backward portions of Continental Europe. So far as the Illinois farmer's excess of income over that of the farmer in North Carolina is derived from the higher fertility and more favorable location of Illinois land, it consists of economic rent, and is only a proper return from the capital which the land embodies. The balance of the excess of income is earned by the Illinois farmer's superior enterprise. These two items cover the differences of income between farmers and between other employers in the different states, except so far as men in the poorer states are kept from going to the richer by the difficulties of moving and obtaining a foothold, and by unfitness for such a change. Wages vary from place to place for similar reasons, as explained in a note further on. The reasons why American wages are double those of Europe are set forth in full in the author's recent book "*The Trusts and the Tariff.*" The main reason is that density of population, giving much of the product to the landlord in rent, leaves a small share for wages. After allowance is made for difference in intensity and in intelligence of the employer's management and the employee's labor, a large balance of advantage still remains to those living in rich states, and in progressive countries not overcrowded. Their possession of their advantages prevents such an inflow of immigrants as to make an equal sharing with other peoples.

raise their standard of living to the New England level, and produce enough to maintain it there, or the more enterprising would gradually go off to places where they could, so long as such places could be found. All classes in the whole country might thus be elevated in a century or two, if sound knowledge, industry, morality and Christianity were continuously developed in proper proportion. One of the essentials for this happy development would be a widely diffused knowledge of the natural laws of wages and profits explained in this book. Such knowledge leads people to confine their effort to what can be done, and to avoid relaxing effort to complain of conditions made necessary by nature.

Wages Cannot be Too High when continuously paid to men who are not taking unfair advantage of an employer in special misfortune.¹ As a rule, the employer is more free to do without the service than the workers are to do without the wages. It may be said that a man ought to have all he can get, if that be \$10 a day for common labor. An employer will not buy labor unless he makes from it more than its cost; and the public will not buy his product if it is not worth to them the price made high by the wages paid.² Only in cases of union

¹**Refusal by Workmen to Fight Fire** in their employer's factory, except on his agreement to pay them \$50 each, would be taking unfair advantage of his necessity. But such conduct is prevented, not only by the standard of honor among workmen, but also by the fact that nobody who knew them would hire them afterward. In the disorder following a great calamity, like the Johnstown flood of 1889, or the Galveston tidal wave of 1901, idle men refusing to work, and looting the dead, are forced to obey by the state, under the military rule that must then be enforced.

²**Wages Vary from Place to Place** in the same mechanical trade according to differences in the average market value of the worker's product—differences connected with the local demand and also with the size, importance, or difficulty of work done, and the consequent grade of skill or speed required to do it properly. For printers in book and job offices the union rate has long been \$18 per week in Chicago, \$15 in Detroit (raised to \$17 in 1902), \$13 in Jackson (now \$14), and \$12 in Ann Arbor. In smaller towns wages for this work range from \$8 to \$12. If a union were established in one of the smaller places, its rate might be about \$10. If the employer found good men, and provided them proper facilities for working, he might get his work done at lower cost per item than before. But the work in a small town is too easily learned, as a rule, for a union to be effective, and its product is not wanted sufficiently—the purchasing power of the people being

monopoly, rarely to be maintained, can the employer or the public be overcharged. If mining product, realized or hoped for, should prove too small to afford the high wages of Montana, and to still leave the high profit necessary to attract capital to risky enterprises, the workmen now employed, or some other men, would accept lower wages or the mines would be closed. By stopping business, if workmen refuse to take less, the marginal employer will let them know when wages have encroached on necessary profits.¹ A workman who understands the situation does not spend nerve force in intense labor because it is a praiseworthy thing to do, or to help his employer loyally, or to act his part nobly in society. To do so long for these

small—to bear much increase of wages. The largely differing rates given above are seldom for the same grade of skill. Many men in the smaller union cities would be unable to hold positions as unionists in the larger. In Chicago some kinds of printing, not wanted at all except at very low prices, are done in small non-union shops by workers of little skill, paid from \$8 to \$15. The Chicago rate for men operating type-setting machines at night on morning newspapers is \$25 a week. Exceptional quickness of hand and of mind are required, and as the time is short high speed must be maintained. Few men are qualified for this work. In a Rocky Mountain city the size of Ann Arbor, the book and job rate mentioned above would probably be \$20, and the higher cost of living would yet leave the worker's real wages in commodities somewhat higher than in the Eastern towns. In some cases a man's real wages in the West are nearly double what they were in the East for work of precisely the same grade. There is sometimes very little correspondence between cost of living and rate of wages. Some small New England cities, with a wage rate a third less than that of Chicago, and having perhaps a few men with the Chicago grade of skill, have a cost of living fully as high. In the far West not only are demand and prices sufficient to bear the high pay, but under the prevailing spirit of free spending the employer does not try to send off for cheaper men, and would be regarded unfavorably if he did; and under the feeling against ratting, even in the absence of a union, idle men in town do not try to get work by offering to take less. But the tendency is to exact more and better work where wages are high, and as the towns grow older the difference in real wages tends to approach the difference in quantity and quality of work done, aside from its demand value.

¹ "A Dollar a Day is Enough for a Laboring Man" was once said by a noted American preacher, or was attributed to him by working people, and quoted as evidence that the cultured classes were against them. Fortunately, this delicate question does not require decision by vote or opinion, as would be the case in determining "reasonable needs" under socialism. It is settled effectually by natural laws, fixing how much the earth will produce to

reasons would be unnatural and wrong—a waste of resources given him for another purpose. It is his own development that has been committed to him. His employer and society are better able than he to take care of themselves. Unselfish helpfulness from him toward others is to be differently bestowed. The workman's duty is directly to benefit himself by getting honestly all the wages in reach, and by saving from his wage labor as much time and strength as he can, leaving for his employer the benefit of his good work that draws high wages, and for society his superior product, and his social value as an intelligent and useful citizen.

divide, and how far a thing is wanted at different prices. It still takes two to make a bargain, with wages as with all else. Until recently, in the lowest desire cases fixing price, the product of a laborer in most of the states was not wanted at a cost of more than \$1 or \$1.25 a day. Therefore, he could not get more. But no pay, high or low, is enough when more can be obtained by fair bargaining and capable selling.

CHAPTER VII.

TRADE UNIONS: THEIR ORIGIN AND HISTORY.

From a Common Interest Comes United Effort. Wherever a number of people are all similarly exposed to the same danger or hardship, they are drawn together by a common interest, which among men of some intelligence leads them generally to take means by which to secure for each, from collective action by all, some important benefits beyond the reach of one acting alone. Hence, not only does a fellow feeling, as has been said, make us wondrous kind, but where conditions demand united action, and leadership arises, this feeling leads to determined effort for mutual self-defense and self-advancement. As ancient examples of such effort, hopeless though it usually was, one might cite the protest of the Hebrews in Egypt when required to make brick without straw, the revolt under Spartacus among Roman slaves, in the suppression of which six thousand of them were crucified, and the insurrections among English laborers in the fourteenth and fifteenth centuries, led by Wat Tyler and Jack Cade. By human nature, common grievances, and the consequent common interests, must inevitably give rise to united action of some kind among modern wage workers. It is for this reason that we have trade unions, as we have united action in organizations of many kinds—commercial, political, and religious.

The Guilds of the Middle Ages. The gathering of mechanical workers, a thousand years ago, into walled towns in Europe, was their means of mutual protection against the warring nobles, from whom they secured their personal freedom from feudal serfdom, and obtained eventually the self-governing rights of free cities. Later on the tendency of political power in the cities to fall into the hands of a governing class of city landlords, in the way that power in the country

had previously fallen to the great landholding barons or feudal chiefs, led to the organization of city occupations into separate guilds,¹ some of which still exist in the City Companies of London, wealthy social clubs that long ago lost most of their industrial character, though they yet bear industrial names, such as the goldsmiths' guild, or the drapers' guild. In the form of rights to each guild to regulate its own occupation, they gradually obtained political power for non-landholding industry, and in time the city government as a whole came under control of its guilds. As manufacture was carried on by hand in small shops, the owner working among his few journeymen and apprentices, each capable journeyman, as a rule, became eventually an employer himself. For this reason both employer and employee had practically the same interests, and both were members of the guild. But as growing population and rising civilization brought larger shops and finer goods, the necessary capital and skill passed beyond the reach of many journeymen, and the consequent separation of their interests from those of the ruling employers gave rise to clubs composed of journeymen alone. There is authentic record of a London club of saddlers that in 1398 had existed for at least thirteen years, and was complained of by the employers for trying to raise wages.² Yet it seems that the earlier clubs of journeymen arose temporarily, to deal with special grievances, and that later the journeymen's branch of the guild was under the control of the employers in the main body. By reason of the continual rise of the ablest journeymen to the ranks of the employers or masters, leadership was lacking—first, for journeymen's clubs of permanence, and later for such clubs of independence.³

¹This outline of the development of the guilds, taken from Brentano, is so brief that it does not conflict materially with the teachings of others, who differ from him in conclusions regarding these little known institutions of the past.

²"History of Trade Unionism," by Sidney and Beatrice Webb, London, 1894.

³Webb, page 6.

Ancient Trade Unions. C. Osborne Ward, in his book, "The Ancient Lowly," followed by trade unionists in general, maintains that from the beginning of civilization trade unions were a controlling force in the indus-

Rise of Modern Trade Unionism. From about the year 1700 onward in England, however, journeymen's clubs existed as permanent institutions in many mechanical trades, and had practically the same intents and purposes as the trade unions

tries of Greece and Rome. It seems that masters in the same trade would naturally have acted together in some way, if not in compact guilds, at least in the informal way of the idol makers who raised the outcry against Paul at Ephesus; but in that age, when many or most workmen of all grades were slaves without rights, and when, under small shop production, free wage workers must have been separated and uninfluential, it seems improbable that there could have been anything like the trade union of to-day. As by nature the favoring stage of civilization preserved until recent years in Japan the system of local government by feudal chiefs, such as existed in Europe eight centuries ago, so in China to-day the control of cities is mainly in the hands of trade guilds. (*Public Opinion*, Feb. 19, 1903.)

The European Guilds of To-day. In Austria, by a law of 1859, the old guilds having then fallen into decay, and by laws of 1883 and 1897, the act of engaging in a handicraft industry makes the master compulsorily a member of his trade's district guild, to which he must pay dues and perform various duties, and his employees are likewise made associate members. So firm is the compulsion that the guild's dues and fines are collected for it from members by the local government officials. The purpose of the guild laws is to bolster up the individual artisan and small employer, against the competition of large factories. The functions of the guilds are to promote harmony between employer and employees, to assist members sick or unemployed, to regulate apprenticeship and foster trade schools, and to foster professional pride in one's work and trade. Some of the present Austrian guilds have existed for over a thousand years.

France and Belgium Abolished Guilds and Feudal Dues under the impulse for freedom in the revolution of 1789-95, and in 1808 Germany took the same course, abolishing serfdom, and making free the right to own land or to follow a trade. By later laws the freeing of industry was continued until in 1849 it was found that the people were not yet ready to take care of themselves under freedom (page 26). Hence, by a law of that year guilds were restored, and by laws of 1884 and 1897 they have been made compulsory where a majority in a trade so desire. (*U. S. Labor Bulletin*. Nos. 27 and 28.) In these guild laws may be seen the Germanic and general Continental policy of having the government do all it can to help some by taxing others, with bounties, protective tariffs, and other favors, and of compelling people to do what is deemed best for them. Education is carried far but not in self-direction, and hence receiving help makes need and desire for more. Authority in Germany is wise and successful, but modern liberty, as known in England and America, has not yet appeared.

of to-day.¹ By that time, in the growth of industry (though factories with machinery were yet nearly a century in the future), so few could rise to the position of employer that the mass of skilled wage workers accepted their status in life as settled, and (having reached the necessary intelligence and liberty) sought by united action to make the best of it. Their day of actual labor was not very long, their customary speed slow, their money pay not low considering the cheapness of food, and their lot not hard for those times. Resort to law was the chief method by which the earlier trade clubs sought to improve the conditions of labor, though strikes were occasionally entered into, as they had been during the preceding three centuries. The regulations of the guilds in the skilled trades had been applied to other occupations by an English law of 1562, which protected the worker in trades by restricting the number of apprentices, and protected unskilled laborers by empowering the local magistrates to require payment to them of sufficient wages. During the first half of the eighteenth century, besides cases before magistrates and courts, petitions were sometimes presented to Parliament by employers, asking for new laws against combinations of workmen, and also by the latter, asking for relief by law from working conditions declared to be oppressive. Though the act of combining was then watched for criminal conspiracy or sedition, the trade benefit clubs were generally accepted like the guilds as proper institutions.

The Industrial Revolution, in the latter half of the eighteenth century, broke down, in those trades to which the new machinery was applied, the regulations of the law of 1562, and

¹**The Oldest Unions.** Boatmen at London, who were not hired by employers, but dealt directly with customers, possess a tradition of having been continuously organized since 1350. Stonemasons also seem to have been united as journeymen in the fifteenth century, while probably they were yet employed by the man owning the house built. Afterward they had guilds of masters and journeymen, due perhaps to the rise of finer architecture and its requirement of skilled superintendence. The modern union of journeymen alone did not appear in the building trades until the end of the eighteenth century, by which time there had doubtless grown up the present system by which a master undertakes a contract and supplies the materials. (Webb, pages 6-11.)

consequently the customary rates of wages. In the obvious necessity for a multitude of new workers to operate machines in the rapidly expanding industries, the efforts of the skilled journeymen to have the old laws enforced were disregarded, and the machine breaking to which displaced spinners and weavers sometimes resorted in their desperation, brought workmen's combinations into disfavor, resulting in parliamentary action from time to time to suppress combinations in particular trades, and at last in the stringent act of 1799 to suppress them in all occupations. This act made it criminal to even contribute money to support strikers in a demand. Continuing to exist by passing as mutual benefit or friendly societies, the trade clubs spent their money and energy in fruitless appeals to law until 1814, when Parliament repealed the clauses empowering magistrates to fix wages, and those by which it was attempted to shut out from employment, and from mastership, men who had not served a regular seven-year apprenticeship. At different times previously some industries carried on with machinery had been exempted by Parliament from the operation of these clauses of the old law of 1562.

Repeal of the Combination Laws. Having then no longer any recourse to law, and being brought to lower and lower wages by the employment in machine tending of women, children, and common laborers, the skilled craftsmen, who had formerly had the trades to themselves, sought a remedy in bargaining with the employer through their unions. To do this legally they had first to secure the repeal of the general law of 1799 against combinations. The bitter poverty of the working classes, and the frequency of outbreaks in riotous strikes, made it clear to fair-minded people that something was necessary to save wage workers from the power of avaricious employers. Accordingly, in 1824, Parliament passed a law permitting workingmen to combine for the two purposes of raising wages and of shortening the work day. Demands on employers, accompanied by strikes, were at once made by existing unions, and by many new ones, in the confident hope that with their liberty to combine and strike they could soon gain their desires. But in this historic instance, as in many cases since, the work-

ingmen suffered disastrous failure by reason of a period of slack demand and decreasing employment.

An Early Vision of Socialism. Finding therefore that strikes at best were uncertain, the working people of that day, a large proportion of whom could not read and knew nothing of business, joined eagerly in Robert Owen's benevolent but impossible schemes for securing to the workers all they produced, without deduction for rent, interest, or profits. As but one in five men was then a voter, Parliament and the local governing bodies being under full control of landlords and capitalists, Owen had naturally no thought of a change to socialism through ownership of land and capital by the state. By some way, in his many changes of plan, the workers came to think that the change to collective ownership could be brought about at once if they only succeeded in organizing all classes of wage earners into a general or federal union. Under the influence of this hope, the spread of unionism in England in 1833-34 was far more rapid than at any time before or since, extending to nearly all occupations, and including many farm laborers and working women. Depending upon enthusiasm alone, the grand movement speedily collapsed, in the failure of numerous strikes, in the lockout of workmen to force them to quit the unions, and in the imprisonment of hundreds on charges of conspiracy and rioting.

Rise of the Unions Now Existing. From these varied experiences came the moderate ideas on which are based the permanent unions of the present day. As many realize who have attempted reform in society, it was found that permanent progress in the elevation of the working class requires all the wisdom and patience of which the human mind is capable. The local unions of Great Britain, many of which had existed continuously from the eighteenth century, were gradually united in the leading trades, after 1820, into national organizations, managed from a central office by paid officials, and governed by an assembly of delegates from each of the local branches. The present British union of steam engine makers was organized in 1824, that of stonemasons and that of boiler-makers in 1832, and that of bookbinders in 1835. The most firmly established and richest union in the world, the Amal-

gamated Society of Engineers (machinists), having in 1900 a membership of 87,672, an income of \$1,621,082, and in accumulated funds \$1,974,735,—was organized in 1851 by consolidation of the unions in four or five related iron trades. Various other British unions now bearing in their titles the words amalgamated or united were similarly formed during the middle portion of the century; though separate unions of men belonging to one branch of the work still flourish in the leading industries, and in some cases, as with the carpenters and machinists, two or three national unions compete for members among the same workers. Northumberland and Durham, and six other districts, have each an independent organization of unions among coal miners. The several unions of cotton factory operatives are confined to the Lancashire district, not extending to the Scottish mills. In many cases, in which a trade is confined to a few towns or to a small district, the union is a local affair, without a national organization. In Sheffield there are a score or more of such unions in the cutlery trades. Unions of this class have changed but little from the local trade clubs of the eighteenth century. The skilled trades of London have never been better organized than they were, under such local unions, between 1810 and 1820.

Development of Trade Union Organization. The practice of temporarily helping with money fellow craftsmen traveling in search of work existed among the earliest trade clubs. Making a gift from local union funds to assist strikers in another town or another trade had become a custom before 1810. The first federation of separate and independent national unions, for mutual assistance, existed among the unions of seven building trades, including laborers, during 1832-33. The first cases of federating the different unions of a city, by means of delegates composing a permanent trades council, appeared in the leading British cities between 1858 and 1860. Temporary joint committees of this nature had been common from the beginning of the century, to assist a union in a strike, to defend unionists prosecuted in court, and to agitate for changes of law. Since 1868 British trade unions of all kinds have sent delegates annually to a trade union congress, whose resolutions express the sentiments and demands of organized workmen, and whose

parliamentary committee, elected from the able professional officials of the larger unions, watch legislation, and urge upon Parliament measures desired by the working classes.

Laws for Protecting Wage Workers have always been sought by the unions as the surest means of attaining their ends with all employers alike. With mass meetings, and petitions to Parliament, the unions carried on the agitation for a legal right to combine, granted in 1824, and supported Lord Shaftesbury and other statesmen in securing the enactment of the laws passed between 1830 and 1850 for prohibiting payment of wages in truck, for regulating work in mines, and for shortening the work day of women and children in factories. Since the enactment of the Reform Bill of 1867, which gave the right to vote to a large proportion of the working class (on a basis of settled homes and rent paying), and more willingly since the act of 1885, which extended this right almost to the point of universal suffrage, a number of important laws desired by trade unionists have been enacted by Parliament—about fifty labor acts in all from 1844 to 1897. Among these were the laws of 1869 and 1871 protecting the money of unions, which before, because they were in restraint of trade, had no standing in court, and could not prosecute a defaulting treasurer. Laws of greater moment were the two of 1875, one known as the Conspiracy and Protection of Property Act, and the other as the Employer and Workman Act. The former removed from trade unions all the stigma of illegality, expressly permitting picketing by strikers, but drawing a strict line for it; and providing that no combining to commit an act was to be punishable as conspiracy unless the same act by an individual was itself a criminal offense, but making criminal for one person the abuses likely to arise in strikes. This law was very important, since under widening interpretation by judges common law conspiracy had come to include as indictable an agreement by two or more to compel, or bring pressure upon, any one to do anything against his will. By the second law, replacing under a significant change of name the Master and Servant Act of 1867, employer and employee were made equal parties to a contract, and imprisonment (sometimes enforced) of workmen for breach of contract was abolished. Other important laws

were the Factory Act of 1878, which codified and extended the many previous factory acts into an admirable system of regulation. The latest laws to be named here were the Workmen's Compensation Act of 1897, described in Chapter XXI., and the Factory Act of 1901, extending the regulation and further perfecting it. Besides the legislation by Parliament, many local ordinances have been adopted for the benefit of the working class.

Trade Unionism Long Under the Ban of the Law. Previous to the repeal in 1814 of the general law of 1562, trade unions as a rule were freely tolerated, despite the decisions and statutes against combination, because their main objects were to secure enforcement of the labor law, to petition magistrates against reduction of wages, and to help one another in sickness and need. But by the end of the eighteenth century, as the law of 1562 fell more and more into disuse, the unions naturally depended more upon strikes, and hence incurred much disfavor. In 1786 two London bookbinders, who were leading a strike to shorten the work day from twelve to eleven hours, were sentenced to two years' imprisonment for conspiracy. Five London printers received the same sentence in 1798. In 1818 sentence of imprisonment was carried out upon three leaders of a Bolton meeting of cotton mill operatives, gathered on suggestion of certain mill owners who desired them to strike against the wage cutting of competing mills. Fines or short terms of imprisonment were imposed on perhaps hundreds of unionists between 1795 and 1824.

Imprisonment for Seven Years. After the repeal in 1824 of the anti-combination statute of 1799, though unions and strikes were common, severe punishment, to check the wide-spreading labor movement, was occasionally imposed under the common law of conspiracy. In 1834 six Dorchester laborers, for the mere act of administering an oath, were transported to Australia on a sentence of six years—reduced later to four years. The same year, and for the same offense, in a farming village of Dorsetshire, four laborers, and two Methodist preachers engaged in organizing unions, were transported for seven years. A statute of 1859 provided that men were not to be held guilty of molestation for peaceably persuading others not to

work; but in determining what was peaceable the decisions of judges rendered the statute of little effect. Prosecutions for conspiracy and intimidation continued at times down to the new statute of 1875, the judges widening the common law under the uncertain language of earlier statutes supposed at first to be liberal. In 1851 the posting up of placards announcing a strike was held to be intimidation of the employers. Under the conspiracy act passed in 1871, containing stringent provisions, affecting both masters and men, to prevent molestation, but stating that unions were not to be held illegal because in restraint of trade,—several gas stokers on strike were imprisoned for a year, and seven women were imprisoned a short term for saying “Bah” to a man who had taken a striker’s place. Many convictions then took place for use of abusive language. “Almost any action taken by trade unions to induce a man not to accept employment at a struck shop resulted, under the new act, in imprisonment with hard labor.”¹ Conditions were changed by the law of 1875, which prohibited violence but finally settled the legality of unionism, separating it clearly from criminal conspiracy. From 1875 onward, trade unions grew in favor with the public more rapidly. During the last fifteen years, in Great Britain, as in America, parties and politicians have been eager to win the favor of the enfranchised workingman, showing to some extent a disposition now to err on his side, as formerly they erred on the side of the employer.²

¹Webb, page 268.

But the Courts Meant to be Fair. Although the judges, with the middle and upper classes generally, were no doubt inwardly opposed to unionism, it must not be inferred that the decisions were unjustly biased. That they were not is indicated by the following quotation, from an opinion given since the legal bias in England has been toward the workers rather than otherwise. “In a legal point of view no part of the whole story is so remarkable as the part played by the judges in defining, and indeed, in a sense creating, the offense of conspiracy. They defined it, I think, too widely; but that their definition was substantially right is proved by the fact that the act of 1875 has made provision for punishing practically all the acts which they declared to be offenses at common law.” (Sir James Stephens.) See *U. S. Labor Bulletin* No. 33.

²**The Study of Trade Unionism.** Parliamentary committees have made some exhaustive investigations of the condition of the laboring class. Chief

Trade Unionism in America. In Boston, New York, and Philadelphia, by the beginning of the nineteenth century, there existed in some occupations trade unions of the same character and methods as those of London, organized no doubt by craftsmen who had come from England.¹ "The chapel," a name given everywhere in America to a meeting of the printers in an office on collective trade business, was written of by Benjamin Franklin as having been observed by him when he worked in London in 1725. Thurlow Weed belonged to a union of printers in New York in 1817. It is reasonably certain that a strike for higher wages occurred among New York bakers in 1741. A strike among Philadelphia shoemakers occurred in each of the years 1796, 1798, and 1799. In 1803 sailors in New York, striking for an increase of pay from \$10 to \$14 a month, "marched around the city and compelled other seamen to leave their ships and join the strike."² For every third or fourth year a strike is reported, up to 1830; after that time one or more for nearly every year. Between 1830 and 1850 there was in America a widespread labor movement very similar to that of the same period in England. There was a similarity in the agitation through newspapers issued by the working class; in the conventions and parties for political effort; in the attempts to establish coöperative communities, many of them, on both sides of the Atlantic, being promoted by Robert Owen;

among these were those preceding the legislation of 1824 and 1871, the investigation in 1890 by a House of Lords committee of the sweating system, and the investigation in 1894 by the Royal Commission on Labor. The reports of these investigations fill many volumes. Fully as useful, perhaps, in informing the public, were the reports on trade unions published by the Social Science Association in 1860; the report in nine volumes of an elaborate investigation carried out among the London poor by Charles Booth, between 1886 and 1896; and the three splendid volumes on trade unionism by Sidney and Beatrice Webb, the result of six years' labor, ending in 1897. From the latter was taken most of the information embodied in the above sketch of British trade unions.

¹An instance of the natural rise of unionism where conditions are favorable, and leaders appear, was afforded lately among natives of the Samoan Islands, who combined and refused to work for less than a dollar a day.

²The Sixteenth Annual Report, 1901, of the U. S. Department of Labor gives a list of all known strikes in this country previous to 1880, and detailed statistics of the strikes and lockouts between 1879 and 1901.

in the growth of a class feeling among wage earners, in the spread of unionism, and in frequency of strikes; in the failure or decline of unions during the hard times of 1837-40; and later in the final establishment, in each of many trades, of a permanent national union composed of local branches. The oldest of these, the present International Typographical Union of the United States and Canada, was formed in 1850. The iron molders' union was formed in 1859, the cigar makers' union in 1864, and a total of twelve of the present national and international unions (about 120 in all) before 1880. As the American states, after their separation from Great Britain in 1776, had no enforced laws fixing wages or requiring a term of apprenticeship, and no statutes against labor combinations, trade unionism and strikes were never illegal to the extent that they were in England. Though falling under the same common law of conspiracy, and being punished in a few cases as criminal, they were less of a menace in the scattered settlements of America; and within bounds, not yet finally settled, they have been freely permitted from the first quarter of the nineteenth century.¹

Early American Strikes and the Law. The striking bakers of New York in 1741 were convicted of conspiracy, but it does not appear that sentence was passed upon them. In the case of the Philadelphia shoemakers in 1806, fined \$8 each and costs, it was held that any combination of workmen to raise their wages was a conspiracy, and as such unlawful, even though unaccompanied by force, threats, or intimidation. In 1829, two shoemakers of Franklin county, Pennsylvania, were fined for conspiracy—one \$10 and the other \$5. In 1834 the New York supreme court held that combination for peaceably securing an advance of wages was indictable as conspiracy. In 1836, in New York, twenty-one tailors were punished by fines ranging from \$100 to \$150 each. The Massachusetts supreme court's decision in favor of bootmakers in 1842 has long been considered as having affirmed the right to combine for raising wages; but the authors of the U. S. Labor Department's sixteenth report think the decision was only that "the indictment as framed did not charge a conspiracy, not that the facts were insufficient to support an indictment properly framed." However, this report gives no case of conviction after 1836; besides those mentioned above, it gives only six earlier cases of conviction. Except the Massachusetts case of 1842, the earliest case mentioned in which union combination was held to be lawful was one in New York in 1867. In 1870 it was legalized in New York by statute. But from the early part of the century it had been generally legalized in effect by not prosecuting.

With the American Federation of Labor, organized in 1881, nearly all the various kinds of unions in the country are affiliated. Unlike the British Trade Union Congress, which is simply an annual meeting, its continuous activity consisting only of the political effort of a committee composed of head officials of national unions,—the American Federation maintains a permanent office at the national capital, and carries on its work continuously upon a large scale. Its objects are to promote the growth and effectiveness of unionism in all occupations; to assist with influence and advice, and in emergencies with money contributions, affiliated or other unions involved in strikes; and especially to influence legislation and public opinion in favor of organized labor. It now employs the entire time of President Samuel Gompers and of Secretary Frank Morrison (the former's salary being raised in 1902 from \$2,100 to \$3,000, and the latter's from \$1,800 to \$2,500); the entire time of 15 permanently employed organizers (increased in 1902 to 25) and from one to six months per year of the time of 39 other organizers, besides the work of over 900 voluntary local organizers, who are only reimbursed for their expenses. During 1902 the Federation's outlay in organizing unions was \$36,217, not including the expenses of officials on special organizing trips, nor \$4,861 spent in the work of the legislative committee.¹ In Great Britain a general organization on the plan of the American Federation was formed in 1899, but has not yet become important.

The Knights of Labor, organized in 1869 as a secret order, gave up the secrecy about ten years later, and spread with great rapidity between 1882 and 1887, reaching a maximum membership that was variously estimated between a half and a full million—since declined to an estimated total of from 150,000 to 200,000. This society differs from all other labor organizations of importance, in that it admits wage workers of any occupation. In many cases it has had a local assembly composed exclusively of one trade, as of carpenters; in other cases, especially in smaller towns, its assembly is composed of wage workers in general, various sections of the salaried and profes-

¹Membership and other statistics of unions are given at the end of this chapter.

sional men being also desired as members. An all-inclusive union of this class attained in England in 1831 a membership or perhaps 100,000, but soon collapsed, in the separation of its members into the unions of their respective trades, by which restriction of membership the negotiating and striking were confined to men directly concerned, whose identity of interest holds them together compactly. Similar to the English movement of the thirties, the Knights of Labor in the eighties had vaguely defined expectations of getting rid of the employer by means of a grand movement in coöperation. Their enthusiasm led them to engage too freely in strikes, whose disastrous ending soon dispelled the illusion. During the last ten years they have not been aggressive, and have not attracted public attention, the adherence of members and assemblies being weak. In fact Mr. Gompers speaks of the Knights of Labor as being now defunct.¹

American Unionism Developed Later than that of Great Britain. Only in the few larger cities of the North Atlantic States, during the first half of the nineteenth century, was there

¹**Different Branches of a Trade in a Single Union.** During the last few years, in some cases, that maximum pressure may be placed on an employer by a strike of all his men, and that workers in one department may be sure of aid from workers in other departments, the different sections of men in one industry have been united into a single union. The United Mine Workers, national and local, include miners, stationary engineers, firemen, and laborers. The United Brewery Workmen include every grade of workers about a brewery in one national organization, though each section of workers is in a separate local union. The typographical union follows the same policy with printing trades. Though the pressmen and the bookbinders are in separate national unions, all the local unions of printing trades in a city are closely allied in a council, as is the case also in the building trades. British amalgamated unions were formed long ago in some cases to include different sections of skilled men in one industry, as molders and pattern makers, but not the unskilled helpers. Uniting into one union, as the mine workers, the different sections of men in an occupation is being carried as far as to each section of men it proves preferable to separate organization of themselves alone, not being carried so far as to weaken the occupation's unionism as a whole by attempting to hold together men of wages and of interests too diverse. Perhaps the mine workers find it necessary to include all sections in their one strong body in order to have any unionism at all that is permanent at the many small and scattered mines; while the building trades, each having as a rule enough men for a strong union, find alliance of separate unions, for mutual assistance in strikes, to be

a concentrated mass of people who had no prospect of rising to the position of employer, and who were sufficiently skilled and intelligent to maintain permanent unions of consequence. In the rapid growth of a new country there were so many business opportunities that comparatively few capable wage workers anywhere needed the help of unionism as did British workmen, settled for generations in one occupation under low wages. American unions have grown up chiefly in the development of large scale industry since 1870. In many American industrial centres unionism is now perhaps as strong as in the centres of England; but in the United States as a whole, together with Canada, whose development in unionism is about the same, the total membership of trade unions, owing to large agricultural area, has been, until 1902, considerably smaller than that of Great Britain, whose population is not quite half that of the United States and Canada.¹

preferable to amalgamation of different trades into one union alone. To unionize the less skilled section, the more skilled must make concessions to them, but in return the less skilled do not take the places of the more skilled when the latter strike, though an active spirit of unionism is necessary to prevent taking advantage of the opportunity to rise to better positions. Ordinarily, experience has shown, it is advisable to have a separate union for each of a trade's sections that is so different from others as to require separate rules of its own. In this way the risk and cost of raising a section's pay may be taken by its workers alone, and its interests are not in danger of being over-ridden by majorities composed of larger sections.

Statistics of British Trade Unions. At the beginning of 1902, in Great Britain and Ireland, there were 1,236 trade unions, counting all the local branches of a national organization as one union, with a total membership of 1,922,780, increasing in two years from 1,803,897. Mining unions had a membership of 514,536, metal working and ship building trades 334,913, building trades 248,648, and textile trades 219,256. Many of the 1,236 are local unions in one city, not connected with a national union. One hundred of the principal unions, with a membership of 1,161,226, had in 1901 an income of \$10,032,295, expenditures of \$8,057,148, and funds at the end of the year of \$20,253,964. There were 107 federations of separate unions in a connected trade, such as mining or as textile working, and 181 trades councils. Owing mainly to industrial depression, total membership fell from 1,502,358 in 1892 to 1,407,836 in 1895. The beginning in 1901 of the backward flow of the wave of prosperity is indicated by slight decrease of membership in several trade groups, and by a total increase in 1901 of only 12,166, against 106,717 in 1900. But financial strength rises fast, the

In Australia and New Zealand, in view of their radical legislation in favor of wage earners, including minimum wage laws and preference for unionists in compulsory arbitration awards, unionism seems to have much more political power than in any other countries. Yet Mr. H. D. Lloyd found during his visit of 1899 that Australasian unions were not

funds per member of the 100 unions being \$17.44 in 1901 against \$15.88 in 1900 and only \$8.72 in 1892. (*U. S. Labor Bulletin* No. 45.)

American Statistics. With the American Federation of Labor there were affiliated in June, 1903, the following unions: National and international unions, 107; state federations, 28; city central bodies, or local trades councils, 535; federal labor unions, and independent local unions, neither class being connected with a national union, 1,872. The federal unions are local unions composed of men in different trades, neither of which is sufficiently numerous in the town to form a union of its own, a separate union being formed by each as soon as practicable. The 107 national and international unions are composed of about 14,000 local subordinate branch unions. During eleven months, to October 1, 1902, 3,500 new local unions were chartered, with a membership of not less than 300,000. The number of unionists in the country has probably trebled since the business depression ended in 1898. Growth has been most rapid within the last two years. The membership of all these various unions now aggregates perhaps two millions, that of the national and international unions reaching perhaps a million and three-quarters, including with this number, and with the grand total, fourteen national unions not affiliated with the Federation, and counting the Canadian members, whose inclusion is the reason for the use of the word international. The Federation includes a few branch local unions (39 in 1897) of the British Amalgamated Society of Engineers and about as many branches of the British Amalgamated Society of Carpenters and Joiners. The only other important labor organization, that is not included in the above enumeration, is that of the Knights of Labor, whose reported membership of about 200,000 is regarded as mainly nominal. There are published in the United States and Canada about 250 weekly and monthly papers devoted to the cause of labor, many of them being official organs of unions. A number of these, such as the *American Federationist* of Washington, and the *Typographical Journal* of Indianapolis, are very creditable magazines. The above statistics are mainly taken from the American Federation's latest reports. The United States Department of Labor has not yet gathered statistics of unions as does the British department. The highest salary paid by a union is \$5,000, which, it is understood, is paid to the national president of each of the leading railway brotherhoods, the engineers, the firemen, and the conductors. The next highest salary is paid by the marine engineers, \$2,400.

The Largest Union in the World is that of the United Mine Workers of America, with a membership now nearing 300,000 inncreased from 43,000

pecially strong in themselves apart from the political influence of workingmen voters, having never recovered from the disastrous failure of their great strike of 1890, which probably surpassed all others in territory covered, in number of occupations called out, and in completeness of the suspension of industry. Since then the unions have relied chiefly on legislation, and very successfully.

In Continental Europe—notably during the last several since 1897. The British Miners' Federation is about as large, but it is an alliance, not a single body. The American Brotherhood of Carpenters, in 1902, had 94,800 members, in 900 local unions. The British Amalgamated Engineers, in March, 1903, numbered 93,693. The largest American local union is that of New York printers, the Big Six, numbering about 5,500. The London union is about as large. Carpenters and cigar makers do not organize the trade in a city into a single union; the latter have in New York about a dozen locals.

In Nearly Every Kind of Wage Working unions now flourish. There are many of bootblacks, newsboys, cooks, and waiters, some of stablemen, janitors, floor walkers, and post-office clerks, a number of new ones among farm laborers in the middle West, and now the organizers are reporting as "under way," or as lately organized, unions of public school teachers, insurance agents, washerwomen, and hired girls. In scores of cities and towns the workers not yet organized are an insignificant remnant. Alton, Ill., claims to be the strongest union city, with 70 per cent of its voters in unions. Chicago is said to have 525 local unions, with over 300,000 members. But doubtless thousands of the new local unions will drop to pieces when the enthusiasm subsides and labor demand slackens. In 1901, before the recent growth of membership, 48 per cent in Minnesota of all workers in manufacturing were in unions, and in New York 39 per cent. In a few trades the percentage reaches 90 for the whole country. Hence, the objection is untenable that since only 2,000,000 out of the country's total of 20,000,000 wage workers are in unions the latter cannot rightfully claim to represent their respective trades. Where it is effective the union generally includes three-fourths of the men in a trade in the town, and in many cases it includes all. Moreover, workers not yet organized hold generally the views of unionism.

Temporary Unions. United action to raise wages, or to remove grievances, is often taken successfully by a small body of workmen not formally organized. If they all agree in the demand they are a union in effect. Taking the places of men thus striking is considered ratting, though not so objectionable as if their strike were sanctioned by a regular union, since they are less likely to be in the right when acting unadvised. In some large American mining districts there are no unions, yet small strikes by a body of men at one mine are not uncommon. Such action is the first stage of unionism, and shows conditions to be favorable for permanent organization.

years at Barcelona, Marseilles, in the Belgian cities, and at the French coal mines—great strikes occur, involving often suppression by military forces; but trade unions as a rule have not been strongly established or influential. The riotous outbreaks in 1902 among tens of thousands of farm laborers in Galicia in Austria-Hungary, and the many riotous strikes during that and the preceding year in Russia, suppressed usually by soldiers, were not like the ordinary American contest between a union and an employer, but were rebellious outbreaks of unorganized men against intolerable conditions, both industrial and political, similar to Wat Tyler's rebellion in the fourteenth century in England. In the national and international conventions of Continental unions the custom has been to agitate for new laws, not to plan for supporting demands by strikes. Though in France, Belgium, and Germany there are now many unions following the British and American methods of self-help, the main effort of Continental unionism has generally been to overturn the present industrial order and establish socialism—or at least to promote a transition toward socialism by urging the labor legislation that Continental nations have been enacting in recent years, in the line of taxing employers and the state for old age pensions and accident insurance. (Chapter XXI.)

The Reasons for the Backwardness of Continental Unionism include the following. First, by reason of disorder from wars, and of lack of capital, factory production with machinery arose on the Continent a half century later than in England. Unionism is of little use, and generally is impossible, while workmen are scattered in small shops, on a social plane almost equal to that of the employer, and with chances of rising to his position. In Germany the hand-working, small-shop industries still survive to a far greater extent than in England and America. Second, admission of the middle and lower classes as voters to participate in government came later than in England; and even yet the government, being less under the people's control, and being more exposed to socialistic outbreaks into violence, does not hesitate to use its power to curb striking and trade unionism further than by simply maintaining order. Third, the practice widely prevails of tying workmen to their employers by means of aid funds and other welfare institu-

tions. Such influences are not conducive to the independent spirit necessary for aggressive unionism. By natural temperament perhaps, and by the experience of centuries under absolutism in government, and under paternalism both in government and industry, the Continental peoples have not developed far the unionist's spirit of self-help.

The New Trade Unionism is a name applied, chiefly in Great Britain, to the united movement of all labor organizations—in politics, and by mutual assistance in strikes and boycotts—toward improving the condition of wage workers in general. This united effort, though always existing to some extent in political action by unions, and in mutual aid and sympathy, was made prominent in Great Britain at the time of the London dock strike of 1889, and in America several years earlier when the Knights of Labor united all trades into one union. It has been continued since with increasing strength by the American Federation of Labor, under which all working class sentiment is effectively united in politics and mutual assistance; while in the other industrial countries the trade unions are now zealously united to promote in every way the interests of their class as a whole. In the older unionism the disposition was for each trade to work for its own advancement alone, and not to unite in general movements,—having little concern for unskilled laborers, for whose organization, generally neglected until recent years, the federations now make special efforts. The railway brotherhoods are least affected by the new spirit, not being affiliated with the American Federation, never going out now on sympathetic strike, to assist in strikes among other workers, and being kept conservative by high wages, by possession of large benefit funds, and by the public necessity of avoiding strikes in railway operation. The new unionism is a form of effort for which capacity was developed in the narrower and simpler activities of the old. The chief danger to unionism, serious at times under the old but far more so under the new, is the seductiveness of the siren socialism, whose vision of an impossible sharing of wealth equally, of getting without earning, and of one man's being as good as another without regard to his character or his service value—will perhaps always be in the future, as for so long in the past, a natural delusion for the

ignorant or unbalanced mind. Socialistic rhetoric sways many a trades council, often proving a disturbing element in the American Federation's annual convention, to be sidetracked for business that nature has not made forever impossible; and it is a source of similar disturbance in the British Trade Union Congress. Yet it is probably true, somewhat as labor leaders claim, that the new unionism, having the confidence of all grades of workers, might now do more than any other force to bring to pass, politically and educationally, the vast potentialities of human progress. To reach great achievements it needs only to turn away from the vagaries hitherto so attractive, and to acquire the wisdom to discern what can be and ought to be done.

Benefit Features of Trade Unions. In 1900 the Brotherhood of Locomotive Engineers, with a membership of 35,010, paid \$810,750 to members in death and accident benefits, and had \$53,714,250 of insurance outstanding. Several of these brotherhoods maintain each a strike fund of \$100,000—little used in late years—and have each nearly a half million dollars in total funds on hand. In some cases, with British unions, possession of benefit funds, which are there maintained by most of the unions on an elaborate scale, (reaching about \$2,000,000 with the Amalgamated Engineers), is said to have caused tyranny by union officers, a member's payments of dues being forfeited if he disobeys official orders. But the benefit features are important to hold the union together, to make it careful in striking, and to maintain discipline over members—a matter in which some unions have been very defective, as shown by disorderly strikes. Especially useful are benefit features in England, where under low wages fraternal helpfulness in the union gives poor members more value in insurance than they could get otherwise for the same money cost. The lack of safety in union benefits, since the funds may all be used to support strikes, is outweighed by extra advantages of more permanent unionism, in improving wages, in getting work, and in development of character through self-help. Some of the newer unions in England, since 1889, have gone to the one extreme of having no benefit features, existing simply for striking. The tendency with such is soon to go to pieces. On

the other hand, there have been periods when leading British unions went to the other extreme, becoming mere friendly societies, and practically giving up firm bargaining with employers, for fear of dissipating the funds in a strike.¹ The rapid decline of the Knights of Labor, between 1886 and 1894, was due not only to that society's inherent defect of aiming to

¹**Some Figures of Benefit Payments.** As American unions grow older their benefit features are increasing and spreading. The cigar makers and railway men lead in this respect, the latter by reason of the danger of accident in their occupation. As a rule American unions pay at least the burial expenses of a deceased member. A number of them now allow a small weekly sum for a time to members out of work. For this benefit, which is general and important in England, the one local printers' union of New York city (membership about 5,500) paid out \$32,489 in 1898. In 1896, a year of great depression, the cigar makers' union for the whole country, with a membership of 28,074, paid benefits as follows: Sickness benefit, \$5 for each of 13 weeks, \$109,208; death benefit, \$50 to \$550, 2 to 15 years' membership, \$78,768; traveling benefit (a loan to be repaid), \$33,076; out-of-work benefit, limited to \$54 a year, \$175,767; strike benefit, \$27,446—\$5 a week for first 16 weeks, and then \$3 a week until the strike is ended. In 1900 the out-of-work payment was only \$23,897, but that for strikes was \$137,823. The regular dues in the cigar makers' union are 30c. a week, besides some occasional assessments (raising the total during some large strikes to \$1.00 a week); the disbursements in 1896 were \$24.73 per member, coming partly from the surplus, which was \$503,829 in 1893, but only \$194,240 in 1898, at the close of the depression. In printers' unions the total dues are about \$7 to \$8 a year, where the local union does not (as in New York) add materially to the few and small benefits generally paid in this trade. The union with highest prevailing dues, 45c. a week, is the German-American Typographia. (*U. S. Labor Bulletin* No. 22.) All the benefit payments of printers' unions, excepting the payment for support of men on strike, are in the hands of the local union, not being paid from the funds of the national body as in the case of the cigar makers. Generally, especially in the smaller cities, the printers' union pays only the death benefit, \$50 or \$100 at the death of a member or his wife; though a unionist out of work and in great need is sometimes aided with a small collection in money from members, or with a day's work in a member's place. In fact, only two strictly American unions have an out-of-work benefit paid from the national body's funds, and only about a dozen have such a benefit for sickness.

Pensions for Aged Members. In 1902 the locomotive engineers arranged to pension old and disabled members. Only a rich union of well paid men could maintain a safe pension system. Little in this respect has yet been done by unions anywhere. The printers' union supports in Colorado the Childs-Drexel home for disabled members; three of the railway

unite in one body separate trades of diverse interest, nor to its loss of many ill-advised strikes, but was due especially to its effort, after such experience, to abolish strikes altogether, and to depend on conciliation and on socialistic politics. It melted away in its contest for leadership with the American Federation, under the latter's solid policy of having separate and independent unions joined only by federation, and of having as the

brotherhoods are preparing to establish jointly a similar institution. Of British unions 38 pay a small superannuation benefit—the carpenters \$2.80 a week for life to an incapacitated member above 50 who has been in the union 25 years. In America the carpenters and the pattern makers arranged some years ago to accumulate for such a benefit. There has been little attempt by unions to make the dues larger in proportion to the age of persons joining; though the cigar makers, whose union benefits are unusually large, do not allow sick and out-of-work benefits to persons joining when past fifty, or when afflicted with chronic disease, and several other unions with large benefits make similar distinctions. A union wants all men in the trade as members, in order to bargain effectively on wages and conditions of work, and hence cannot follow closely the principles that underlie the justice and safety of insurance corporations. The greater gain in benefits by the weak is not sufficient to repel the strong, and may even increase in some cases the latter's sense of fraternity. It is to solidify the union for the main function of bargaining with the employer that the benefit features are most valuable. As insurance they are useful, but secondary. Yet while preparedness for striking counts first in importance, strike benefits are fortunately not a leading expense. During 5 years to 1898, a period of strikes large and numerous, 100 leading British unions paid out an average of but \$7.66 per member for trade disputes, against \$24.11 for benefit features, and \$6.87 for management. Of the total payments of all New York state unions in 1894, only 17 per cent was for strikes. In March, 1903, the British Amalgamated Engineers, with a total of 93,693 members, paid benefits as follows: For unemployment, to 3,871 persons; for sickness, to 2,448; for superannuation, to 4,287.

Large Fund for Strikers. The Brotherhood of Railway Trainmen voted in 1903 to increase its strike fund from \$100,000 to \$300,000. The United Mine Workers have had on hand for several years, available for strikes, a fund of \$1,000,000. For the anthracite coal strike of 1902 the national convention assessed some classes of members at work 10 per cent of their wages and others \$1 a week—the total of relief funds gathered, including contributions from other unions and the public, being about \$1,800,000. Possession by the Mine Workers of a large fund, not utilized with benefit features, is an inducement to strike, and necessitates great caution in officials. But striking has properly been the main business of this union since it became strong in 1898, and will be while business continues brisk and wrong conditions of labor remain to be rectified.

main object, supported in the last resort by strikes, such bargaining with employers as will secure for workers the largest return now, and the greatest development for the future—seeking reform of society meanwhile as far as practicable, but not waiting for rights and benefits until such reform comes.

CHAPTER VIII.

THE NECESSITY FOR TRADE UNIONISM.

Few Can Hope to Become Employers. Perhaps fully nine-tenths of the wage workers are not born with sufficient capability to become employers, or useful independent producers, under the present system of large scale industry; and if the capability could be acquired there would be no place for them. Society needs them, and will pay for their service, only where they are—working by the hundreds in large factories, under the direction of a few employers. Only thus can there be produced the present abundant supply of useful things. Opponents of trade unionism object rightly to the drawing of a sharp line between the working class and the employing class, urging that every worker ought to strive to rise in life. So he ought, but this idea belonged rather to the small industry system of former times. Whether we would have it so or not, the mass of the people are kept in the condition of wage workers by an impassable barrier erected by nature. They are not to be blamed for being what they are.

Workers Are Not Free to Reject Proffered Terms. In the industrial centres of America, and everywhere in densely populated Europe, few people have easy access to land, or the money and knowledge to better their condition by moving away, or the choice of anything but to continue in the work they are doing. Being held to this by nothing less than physical want but slightly removed, the average wage worker is not free, when standing alone, to hold back for better terms than the employer offers. His labor time, like a perishable commodity, must be sold at once or be lost forever; besides the effect of privation to bring sickness to himself and family, and the effect of idleness, when in want, to sap his self-confidence and weaken his efficiency.

Neither is the Employer Free to close his factory without loss. His customers would leave him, his plant deteriorate, while interest and rent would continue unchanged. But the simple money loss he would incur from stoppage, with his family well provided for, is a small matter compared with the physical suffering hanging over the wage workers. He knows that when they are unorganized they cannot remain away from work long enough to cause him a loss of much consequence; and he can therefore set his own price for their labor, as can the buyer of a commodity not competed for and about to spoil.

Is Not His Self-Interest Sufficient to insure fair treatment of his employees—wages as high as the business will afford? He knows that to obtain good work from them they must be well supported and contented. Unfortunately, his opinion is likely to differ from theirs and even from that of society. This self-interest did not lead the owner of field slaves, as a rule, to provide for them much better than for animals. He preferred dull labor when good living and teaching made slaves “sassy.” Along or near this level of coarse subsistence, wages have always moved, in times of ordinary demand for labor, among people unprepared to move away or change occupation, and not united for bargaining. In the farming districts of Europe, and among women workers in American cities, this law of wages is just as true to-day, with all our civilization, as it was a century ago. To such pay the name “natural wages” was fittingly applied by the old economists. It is nature, not the worker’s or the employer’s choice, that prevents wages from falling lower than will keep the worker’s family alive, and that thus maintains the supply of labor the employers must have. Living in virtual serfdom, therefore, taking the bare support the employer allows, must inevitably be the lot of the working classes, without trade unions, where a living is not easily to be obtained by settling on vacant land, where there is no rapid growth of industry to make an exceptional demand for labor, and where intelligence, thrift, and readiness to move have not yet become general. Under such conditions very few employers, to increase profits, would ever be sufficiently humane or far-sighted to follow any other policy as to wages than to put them at the lowest point; and if many employers voluntarily paid more, the workers

would not have the discipline of bargaining, which in its effect to develop manhood is as valuable as the good wages themselves.

To Enable the Worker to Bargain, in the sale of his labor, with a measure of the employer's freedom to contract or not—the necessity for this, in order to escape degradation, is the impregnable rock on which trade unionism is founded. In full view of the abuses of unionism, one may reverently say, as of human government, which also has been abused flagrantly, that the trade union is an institution of God. He created the unions by making it the desire and duty of every normal human being to develop his physical, mental, and moral faculties, and by so ordering conditions that only through organization can wage workers now secure the adequacy of support and the independence that self-development requires. By uniting into a union they raise funds with which to support men while holding back their labor for better terms; and by acting in a body their refusal to enter the wage contract brings upon the employer a pressure approaching that which his refusal brings upon them.

The Employer is Not Worse Than Other People. Those unionists and socialists who declaim about the plutocracy of his class are excited, being led by feeling instead of by judgment. He does only what all do who buy as cheaply as they can. When a wage worker saves a little money with difficulty, and starts a small business for himself, he is likely to feel compelled to drive harder bargains with his employees than do men brought up in the employing class, who, if wealthy, often feel much responsibility for the welfare of those working for them. The small subcontractor is noted for sweating his employees, in whose class he recently belonged, and above whom he has risen but little. The skilled cotton spinners and shipbuilders in England, who hire their own helpers, do not encourage them to unionize. Such helpers of the striking anthracite miners in Pennsylvania were said by the latter's opponents to be treated in a way approaching sweating. In 1901 about fifty polishers and platers in Rochester, N. Y., whose strike against the employer was settled by his giving them their work as an incorporated coöperative company of contractors (starting with

34 members, soon reduced to 21) departed so far from the union spirit that they adopted piece work, hired boys wherever profitable, and toiled thirteen hours a day, prospering greatly thereby.¹ Perhaps the typical union man is not well fitted to succeed as an employer; because in his fraternal readiness to deal generously with the workers he may neglect the employer's part in the process, which is by all just means to get out a product for less cost than its selling price—usually a difficult task. The rights of employees should be looked out for by themselves. Unionism enables them to do this. Paying more for work or for goods than one has to pay is giving in charity, and those thus helped tend to become pauperized. Unionism for the mass is the most effective self-help.

Unionism Did Not Arise Until It Was Needed. Before the time of the factory system in England it was only in a few of the skilled trades that the employer was active enough to push his men unduly, and thus to drive them to self-defense through trade clubs, which these skilled men alone among workers had the intelligence to maintain. Unskilled men outside the guild monopolies had a bare living, and improvement in their condition was seldom thought of, by themselves or by others, yet the slow, dull, old-fashioned methods of labor saved them from worse injury than the poverty their ancestors had lived under for generations. Though the fixing of wages by magistrates, so far as enforced, was done with a view to the interests of the employer, it is believed to have been some protection to the laborers; but their main security in the enjoyment of a tolerable living was afforded by public opinion and custom, which in all countries to-day protect from reduction of wages many common workers who might have to submit.

Effects of the New Factory System. The invention of machinery changed the easy-going condition of English industry. Indeed, some years earlier, before the middle of the eighteenth century, the raising of industry to a larger scale, by capitalist employers hiring a number of men, had begun to lengthen the working day, and to increase the pressure under which labor was carried on. When common laborers and women entered the factory, they passed into new or changed

¹*The Outlook*, Feb. 21, 1903.

industries, which were not regulated in their favor by considerate custom. They had then to keep up with nerveless steel driven by steam, and were subject to an active, driving employer, with large capital at risk, whose gain was increased, in his own thought at least, by every penny he could take off their wages, and by every additional half hour per day he could exact from their tired bodies. The average employer's self-interest is not enlightened, but short-sighted. The practice of trying to get the most for one's money, usually proper enough, is easily carried to a self-injuring extreme in buying labor. Short-sighted self-interest, above which few employers can rise, considers simply one's own immediate gain, without concern as to need for good workers in the future, without active sympathy for dependent people, and without thought of the welfare of society. Good men are strongly tempted to gain in this way when the power is all on their side.

Competition is Not to be Trusted in Buying Labor. If wages, hours, and other conditions of labor were left to be settled wholly by competition, the labor power to which a living human being is inseparably attached would tend to be treated as the dead commodities coal and lumber, which a manufacturer rightly buys as cheaply as he can, but in whose purchase, unlike the case of labor, he possesses no undue advantage over the seller. During the first quarter of the nineteenth century in England, before trade unions had developed strength, this lowest price at which labor could be bought was just enough food, air, and rest to keep the laborer alive and able to work. Without united action, each workman competing with all other workmen and looking out for himself alone, no one could demand more whose work could be done by another standing ready to accept the miserable living offered. If in one city many new factories made work plentiful for a while, laborers scarce and wages higher, people working for the low wages elsewhere were usually too ignorant to learn of the better field, and often too poor to move if they had learned. Their natural immobility had been confirmed by a law of Queen Elizabeth's reign prohibiting poor people from moving out of their home parish, its object being to keep them from flocking to places where poor relief was largest.

The Standard Set by the Worst Employers. Humane and far-seeing employers, discerning the danger of loss from degradation of the workers and the consequent lowering of their efficiency, feared to pay better wages, require fewer hours, or furnish work rooms with better light and air; because if they did so they were in danger of being driven from business by hard-hearted, unscrupulous employers underselling them with goods produced at lower cost by withholding from workmen all these benefits.¹ As the worst employers did, all had to do, or engage in competition against odds. It is not strange that the condition of the laboring class became shocking. Though factory production was a new business, and machinery clumsy compared with that of the present day, markets were sometimes glutted, prices fell, and competition among manufacturers became perhaps as sharp as in recent times. The enormous profits they had realized before the fall of prices whetted their avarice, and they tried to regain these profits by lowering wages, and by running their machinery faster and more hours per day.

Pitiable Condition of Factory Children. Not only men and women, but little boys and girls down to eight years and less, labored with dusty cotton, in stifling rooms, twelve to fifteen hours at a time.² In some cases, when one set of children arose from sleep, their beds were immediately occupied, without airing or cooling, by another set of children, whose day's or night's work had just ended. Whipping of children, to make them work, was common, and dashing of cold water in their

¹**Protest by Employers Against Starvation Wages.** In 1819 fourteen Lancashire manufacturers, in a signed declaration, expressed their regret that they had been compelled by the action of a few competitors to lower wages, and condemned any further reduction. Twenty-five of the leading calico printing firms appended an approval to the protest, and stated that "the system of paying such extremely low wages for manufacturing labor is injurious to the trade at large." The same year the ribbon manufacturers of Coventry subscribed £16,000 to enable the weavers' union to hold all the manufacturers to the list of wages agreed on. These protests and efforts of the better employers were in vain. Wages were reduced, and strikes occurred at many places. (Webb's History, page 84.)

²During the earlier years of factory industry many children were obtained from the workhouse or poor authorities, who sometimes paid manufacturers a bonus for taking a child away from public support.

faces to keep them awake when working at night. One case of suicide is mentioned, that of a boy twelve years old, who drowned himself to escape factory life. Often the children's food consisted of coarse bread dipped in melted lard or fat pork grease.¹

Selfishness Did Not Yield Until It Was Compelled. Physicians saw that the factory population would soon become dull and short-lived, weakening the nation. Yet the struggle of the laboring classes themselves was the chief force in bringing about better conditions. Doing continually all they could by means of contributions to enable workmen to hold back their labor or seek other positions, the unions spent many thousands of pounds from their scanty earnings in appeals to the courts for enforcement of old labor laws (page 158), in getting up petitions to Parliament for new laws, and in agitating to arouse public opinion in their favor. Not only the employers, but the upper and middle classes in general, except a few philanthropic men of influence, and worse still, the political economists as a body, who thought competition ought to be unrestricted with labor as with commodities—strongly opposed the laws enacted to remedy the abuses—the law of 1824 permitting combination, and the later laws prohibiting the employment of women in mines and of young children in factories, limiting the work day for children and women, requiring factories to be properly warmed, lighted, and ventilated, and dangerous places to be enclosed. A notable contribution to the literature of factory reform was Mrs. Browning's pathetic poem, *The Cry of the Children*, which widely affected public opinion.²

¹Gilman, in "A Dividend to Labor," gives a good brief account of the hardships of the early factory workers.

²**Harsh Repression of Unionism.** "Strikes were met, not by redress or sympathy, but by an outburst of prosecutions and sentences of more than usual ferocity. The common law and ancient statutes were ruthlessly used to supplement the combination acts, often by strained constructions. . . . The workers, on attempting some spasmodic preparations for organized political agitation, were further coerced, in 1819, by the infamous Six Acts, which at one blow suppressed practically all public meetings, enabled the magistrate to search for arms, subjected all working class publications to the crushing stamp duty, and rendered more stringent the law relating to seditious libels. The whole system of repression . . . culminated at this time in a tyranny

One Workman Standing Alone Was Helpless in the fierce rivalry of employers, who selfishly and heedlessly urged the then popular doctrine of *laissez faire*—that best industrial conditions for all classes result from a letting alone—from permitting unrestrained competition, among workmen to get positions as well as among employers to sell goods. The wage worker had to take the living offered or at once become a pauper. The power was all on the other side. Happily, not only for those suffering work people, and for the welfare of England, but for all future civilization, the one right idea prevailed. It was seen that the trouble was caused by the man who took the place of the worker refusing to submit. If no person would take a place thus vacated, an employer might be induced by one needed workman to pay him more wages, or to give him a better lighted place in which to labor. If he might do this for the sake of the profit yielded to him by one man's work, what would he not do for the sake of the profit obtained from the work of all the people in his factory? The modern labor union was therefore developed. Its simple and sufficient principle is that to retain a force of laborers necessary for carrying on his business, an employer will hear and grant their proper demands when no others can be induced to take their places if they leave him.

In Union There is Strength. By uniting themselves into brotherhoods of different trades, all the union workmen in England had a chance to learn what the ablest among their

not exceeded by any of the monarchs of the Holy Alliance." (Webb's History, page 85.) In this quotation there is probably some exaggeration.

Employers Not Prosecuted for Combination. "The 'tacit but constant' combination of employers to depress wages, to which Adam Smith refers, could not be reached by this law. Nor was there any disposition on the part of the magistrates or the judges to find the masters guilty, even in cases of flagrant or avowed combination. No one prosecuted the master cutlers who in 1814 openly formed the Sheffield Mercantile and Manufacturing Union, having for its main rule that no merchant or manufacturer should pay higher prices for any article of Sheffield make than were current in the preceding year, with a penalty of £100 for each contravention of this illegal agreement. During the whole epoch of repression, whilst thousands of journeymen suffered for the crime of combination, there is absolutely no case on record in which an employer was punished for the same offense." (Webb, page 64.)

number had observed and reasoned out as to ways of bettering the laborer's hard lot. National and district officials of unions instructed and encouraged the local branches, by means of frequent visits, and through their official newspapers. When to enforce demands a workman refused to accept an offer of insufficient wages, he was not then dependent for a living while idle upon the pittance he himself possessed, but had a claim on a support fund raised from all the members of his union in the entire country, and supplemented in time of a strike with contributions from other unions. Workmen in all the skilled trades gradually learned by experience that in union there is strength. When divided they were helpless—quickly reduced to want, and wholly unable to contend against the employer's resources of wealth, influence, and superior intelligence.

Unionism Judged by its Fruits. Labor leaders claim that the great improvement during the nineteenth century in the condition of the working classes was caused mainly by trade unionism. Their opponents say this improvement was a part of the general progress of humanity, and would have come if unionism had never arisen. Which claim is correct? That of the unionists has a considerable basis in truth. The vast increase of society's supplies, through invention of machinery, fell at first to the higher classes. After factory production became the rule, from 1790 to 1840, the condition of the British working class was decidedly worse than before. Their labor was harder, and their living scarcer. However large the product of a factory worker, the average employer paid him no more than he had to pay, and this was a slender support. Over much of the industrial field the case is practically the same to-day, despite the present perfection of machinery, and the humane sentiments of modern society. Among trades not well unionized, in coal regions and factory towns, and in scores of occupations in large cities, especially the work of women, there are to-day millions of people, including the workers' dependents, who live almost as near the line of physical want and exhaustion as did the working classes of 1830. This is true of America as well as of Europe, though not to the same extent; and perhaps without considering the necessary minimum support of to-day as larger than that of the earlier time.

So far as the present necessary minimum is larger, it is probably balanced by the greater intensity of effort now required.

Wage Workers Must Demand More of the Product, in higher wages, as it is increased with improving machinery, or the extra portion will pass first to the employers in larger profit, and later, with increasing output, it will pass in falling price to consumers. So little of a particular product may be consumed by the workers who make it that its lower price is to them no appreciable advantage. But their demand for higher wages the employer can and usually does disregard unless they are united. Among only a part of the workers, and for short periods, in the industrial world of the last eighty years, have there been such opportunities for other work as materially to raise wages without united demand. In many occupations it seems true, therefore, both in England and in America, that the practical doubling of wages since 1840, both in money and in goods consumed, has been mainly due to trade unionism. Among wholly unorganized workers, as a rule, whether in trades changed by machinery or not, the increase of pay per amount of muscular and nervous exhaustion has undoubtedly been below the increase in the trades well unionized. However, in America, among many sections of workers and in many districts, wages have risen high from the workers' demand expressed not in unionism but in individual readiness to go to other places or to competing employers—alternatives arising from opening of new regions and from growth of industry. Wages have also been nearly doubled for not a few workers in France, where people are slow to move for the sake of better pay, where unionism was not strong until lately, and where growth of industry has not been rapid. Perhaps, under the considerate regard of the French employer for his work people, their demand when not closely unionized has sufficed to secure in wages a share of an increase of product.¹

Too Much Attributed to Unionism. American unionists exaggerate when they say, in their testimony and in their periodicals, that without unions wages in their trades would be less by half than at present. Wages generally were high during business activity before the spread of unionism about the year 1880, and are high now, considering speed and quality of work and amount of employment, at many places, and among many workers

The Chief Educating Force. The fact that wage workers are now paid more than formerly because they produce more, might be used as an argument against the claim of unionism, by saying that the improvement in their condition has been caused by inventors of machinery, and by enterprising employers who utilized inventions with success. But besides the answer above—that only the exceptional employer willingly grants unorganized and immobile men higher wages because of enlarged product—it seems true that unionism, despite its faults, has been the chief force in elevating those *whose need for it* led them to embrace it, and in developing their capacity for enlarged production of wealth. Education of consequence is that which is acquired for a practical purpose of self-advancement. Eminently practical have been the knowledge and business capability acquired by wage workers from their experience in unionism. To a large extent improvement thus brought about in mind and character has enabled them to operate so successfully the wonderful machinery of present times. And another important fact is that it was largely because of trade union demand for higher wages that inventions have come into use. It is because of the prevailing low wages, for labor of fair efficiency, that machinery has been adopted so slowly in Continental Europe. Men do not risk capital in delicate and changing machinery when by hiring

not yet materially affected by unionism, nor enjoying any special advantages for raising wages. There is also very little basis for the claim, in H. N. Casson's "Organized Self-Help," that trade unionism was the cause of abolition of imprisonment for debt, and of many other harsh laws and customs of a century ago. Trade unionism was simply one of many expressions of a feeling that every human being should be relieved from neglect and injustice, and assisted to the best plane of living he was capable of supporting. In communities where this feeling is strongest, unionism has flourished, but not as a cause of the feeling except to direct it in favor of organized workmen. Effective effort to free slaves, and to uplift humanity in many ways, has been common where trade conditions do not admit of unionism, and among people to whom it is objectionable; while many American communities not affected by unionism, towns and small cities, are unsurpassed for high average of well-being and happiness—for thrift, morality, religion, temperance, and good citizenship. At not a few places, where employers do not desire to exploit those among whom they live, and where if they did their workers would self-reliantly leave, the well-being and happiness are largely due to the absence of unionism's coercion and class antagonism.

cheap help they can retain their profits without it¹ Babbage and Ure, who wrote in England seventy years ago, mention a number of cases in which inventions were brought into use by strikes. Hence, unionism was a force behind the employer's enterprise.

Unionism Has Taught Workers How to Bargain—to get for their labor the greatest amount it will bring. This is perhaps the most useful to them of all earthly knowledge. Before the time of unionism they generally had to accept what was allowed by custom, in which there tended to prevail the idea that they were created to be poor, and were entitled to only what was necessary to keep them in condition to work. The same idea lingers yet in some quarters, and would doubtless spread in the wealth and luxury of to-day if there were no wall of unionism against it. Human nature remains the same as it was. Unionism has also taught workmen business—how to use their money to largest advantage. This supplements the ability to sell labor. Collecting and disbursing in the aggregate millions of dollars in union funds has made fairly good business men of many thousands of union officials,

¹Employment of little children in 1902 in New Jersey bottle factories, owing to neglect by factory inspectors, was found to be preventing adoption of an automatic device that does the children's work as cheaply and as well. (*The Outlook*, May 3, 1902.) J. A. Hobson, "Evolution of Capitalism," 1894, gives perhaps the best account of the growth and effects of machinery in production.

Unionism and American Progress. Mr. Casson recounts America's industrial progress, telling of the original colonial manufacturing, of our world-surpassing inventions, machinery, low cost of production, high wages, etc.; and, without explaining how, seems to assume that unionism, or high pay, was the *cause* of all this. Labor writers are given to such fallacies. High pay and good living, promoting intelligence and ambition, have added to American efficiency, but large pay or income came first in large product from already existing strength of character and rich resources. The worker's necessary part of demanding the highest pay in reach has been done lately in unionism, but by far the most of such demanding has been done individually by men prepared to move. American progress has come mainly, ever since the beginning, from inventors and employers (page 60), men who self-reliantly started enterprises, and who had the opposite of unionism's class spirit. In England, where unionism is oldest and strongest, industry is falling behind, largely because employers now lack enterprise, but partly because unionism fetters them too closely.

and in Great Britain has promoted the marvelous success of the working classes with friendly societies and coöperative stores.¹ Union activity has also made men speakers and organizers, and has been a strong force to draw the working classes onward in the effort to gain knowledge. Without it the ignorance of the British common people a century ago, when a large proportion of them could not read, would not have given way so soon to their present enormous use of newspapers and books.

Unionism Has Developed a Spirit of Fraternity—a never failing willingness to give up immediate personal advantage for the sake of the common good. Union workmen, with the full concurrence of their wives, habitually suffer loss, and sometimes want, rather than accept employment on terms contrary to union policy. They freely contribute from small incomes to aid the struggles of unionists in distant places. The most notable case of this was the sending of \$150,000 from Australia in 1889 for the dock strikes in London; a late case was the sending of \$5,000 by the British Miners' Federation for the American anthracite coal strike of 1902. The unionist's hearty adherence to principle reveals good traits even where the principle itself is not sound.

Unionism Has Fitted the Workers for Citizenship. This is

¹Figures of union finances are given on page 168, and of British coöperation on page 74. In 1899 the British friendly or mutual benefit societies numbered 29,985, with 11,424,810 members, and funds aggregating \$184,280,031.

Union Libraries and Temperance Sentiment. The Baltimore union of bricklayers has invested over \$1,000 in a library, and to maintain it taxes members \$1 a year. A union of laborers in Boston assessed members \$2 a year for a library. (Casson, 201.) In 1843-50 many British unions, and some in America, started libraries, journals, and evening classes. In 1850 the flint glass workers' magazine, still published, said: "Get intelligence instead of alcohol, if you do not wish to stand as you are and suffer more oppression." (Webb.) Mr. Brooks, in "The Social Unrest," tells of the well selected libraries of Belgian unionists and socialists, and of the temperance sentiment among them and among British labor leaders. The Knights of Labor did not admit persons living from the liquor traffic. But on the whole unionism is still in favor of saloons, the rank and file not having the foresight and self-control of the best leaders. One of the good signs of the times is the stress now laid by unionists on learning economics. Their literature still contains much unsoundness, but they are learning as fast as could be expected, and are still teaching some things to the educated classes.

true especially of Great Britain. To society such fitness comes next in importance to the ability of making one's labor fetch a living. By their continual agitation against old laws and for new ones, British workmen were trained to use intelligently the right to vote, as it was from time to time (and largely by their own influence) extended to more of them. From political efforts of unionism, a similar training is now being experienced in all the enlightened countries. Political activity, to be useful, in outward results or in effects on mind and character, must be directed to a definite purpose, and for this direction there must usually be involved some clear personal benefit. But in a respect still more important, unionism has brought enlightenment and elevation of character by securing for the workers leisure time. To shorten the work day has been from the first an effort of unionism second only to its effort to raise wages. Whether secured by agreements with employers or by factory laws, the shortening of the work day has come almost wholly by reason of unionism. Directly it has been but slightly advanced by other forces that raise wages, such as growth of labor demand, and the bargaining capacity of individuals ready to move to secure better pay. This shortening has proceeded furthest in Australasia and in Great Britain, where unionism is strongest; in America it has come in the best unionized trades, affecting other trades through their influence; and in Continental Europe it has only recently begun to make much progress, since unionism there acquired some power. It is needless to say that intelligence and capable citizenship are impossible, to all but a few exceptional minds, where the work day, as in Continental Europe, is eleven or twelve hours long, and the living confined to a stinted supply of coarse necessities. Time and strength and spirit to think are the first requisites that lift men above the plane of drudge animals—to fit them for producing large wealth with complex machinery, for giving industry a market by means of varied consumption, and for participating in self-government. In different ways unionism has taught self-help, the main force in making men—especially associated self-help, the main force in public movements. For many years this lesson was learned in England from struggles worthy to be called heroic. Espe-

cially valuable is unionism now for its most effective of all efforts toward Americanizing the hordes of foreigners who pack themselves into our cities.

Would Not Democracy be a Sham Without Unionism?

If without unions, in manufacturing countries having no vacant land, and not growing fast industrially, men would have to take the wages offered, would they really be free men, or virtual serfs? Would they not tend to become inefficient as workers, and servile in manner toward the upper classes on whose favor they depended? There can be no worthy independence of character unless a man habitually exercises choice, and has a large share in fixing his own conditions of life. By the mass of working people this independence can be possessed only through unionism. If unorganized they at present could not have it, though employers willingly paid them more than they now receive. They might then be bribed or fattened into complete submission. A non-resisting class have always been a subject class. In its effect on their character the discipline of maintaining good conditions through unionism may be worth as much to them and to society as their good living itself. And is it less beneficial to the character of employers, and to society, that unionism deprives employers of feudal mastery over the masses?¹

That Unions Have a Right to Exist is Fully Proved, therefore, by the preceding discussion—that they are a necessary factor in modern society if government of, by, and for the people is not to perish from communities having large scale industries. Among the best friends of unionism during the

¹“An Aggrieved Class Owes a Duty to the Aggressor not less than to itself. It is not just to either to submit without protest or remonstrance. Such a submission tends to degrade the moral nature of both.” Kelly Miller, *The Arena*, Dec. 1902. In the same issue of this magazine H. N. Casson quotes from Wendell Phillips—“The labor movement is my only hope for democracy;” and from Gladstone—“Trade unions are the bulwarks of modern democracies.” Prof. F. G. Peabody says: “The economic order is an instrument for the making of men; and a struggle which, like the present labor movement, brings forth, even through much travail, more thoughtful and loyal men, is the birth struggle of a better social world.” See his book, “Jesus Christ and the Social Question,” p. 282. On p. 186 he well says: “The modern social question is one fruit of the education of the masses. It is not a sign of social decadence, but a sign of social progress.”

last thirty years have been the scientific economists. They have perceived that it is a natural and inevitable outcome of modern industrial conditions. Workers in great industries are no more to be blamed for uniting into unions than are migratory birds for going south in autumn. In each case there is only an application of foresight to the purpose for which God gave it—namely, to guard against approaching danger.¹

Yet Judgment Must be Considerate Toward Unionism's Opponents. People's beliefs and prejudices are always a product of their training. He must be a man of masterly wisdom and self-control whom we could hold responsible for the character of all his honest opinions. Some evil institutions were once good, the best perhaps of which society was then capable. No doubt in primitive times many a person welcomed slavery as a refuge from massacre or starvation. During the Dark Ages the common people found safety by huddling around the castle of their feudal lord. His military protection was a return for their service to him. Where the ruling classes a century ago were thoughtful, as they usually were, of the poor around them, the latter probably fared better than they could have fared under any other arrangement so long as they remained in ignorance. Doubtless the same is true to-day in different countries of the servant class, and of many peasants or farm workers protected by custom or neighborhood kindness—men not prepared to do so well if thrown on their own resources.

To be Obedient, and to Know Their Place, were therefore deemed by the ruling classes the proper attitude of the common people. The latter were dependent, and were looked out for, somewhat as children. The error with many who opposed unionism was that they held on to this view long after consideration for laborers had ceased. The early factory owner hired them as cheaply as he could, leaving their fate to the poor authorities. By reason of the long subjection of the poor, and of their ignorance and degradation, it took several generations for the upper classes to realize that a laborer was a man

¹The necessity for trade unionism is further discussed in the chapter on arbitration and in the chapter on combination and liberty, together with the question of how far unionism is desirable.

and a brother, and that his education, and recognition as a voting citizen, were necessary for the highest welfare of society.¹ The same element of caste is still in human nature, among rich and poor alike, and shows itself continually in many ways. In later times, besides a remnant of the old feeling that the employer alone should rule, many have opposed unionism because of a conscientious belief in the largest freedom of contract. Some phases of this freedom will be discussed in the next chapter, and other phases in the chapters on the shorter work day, on labor laws, and on arbitration. At present many good people oppose unionism because of abuses in its practices, and because they believe many of its principles to be unsound. To an examination of principles and practices we will now proceed.

'Not Conscious Oppression, can we believe, at least with many who consented to it, was the "unreasonable determination of the governing classes [1830-40] to keep the workingmen in a state not merely of subjection, but of abject submission.....Class prejudice was so strong that any attempt at parley made by the workers, however respectfully, was regarded as presumptuous and unbecoming.....The continued exclusion of the workmen from the franchise made constitutional action on their side impossible.....Regarding absolute control over the conduct of work people as a *sine qua non* of industrial organization, even the genuine philanthropists insisted on despotic authority in the factory. Against the abuse of this authority there was practically no guarantee.....Large sections of the wage earners were not only moderate in their demands, but submissive in their behavior. As a rule, wherever we find exceptional aggression and violence on the part of the operatives we discover exceptional tyranny on the side of the employers." (Webb's History, 149.)

Lord Londonderry's Manifesto in 1844, against his striking miners, did not sound so arrogant then as it would sound to-day. He warned the shopkeepers "of his town of Seaham," on pain of his boycott of them, not to "assist the infatuated pitmen [by selling them groceries on credit] in prolonging their own miseries by continuing an insane strike, and an unjust and senseless warfare against their *proprietors and masters.*" "The same intolerance marked the journals of the dominant classes. It seems to have been habitually taken for granted that the workman had not merely to fulfill his contract of service, but to yield implicit obedience in the details of his working life to the will of his master. Combinations by the 'lower orders' were regarded as futile attempts to escape from their natural position of social subservience. In short, the majority of employers, even of this time of negro emancipation, seem to have been unconsciously acting upon the dictum.....that 'the true solution of the contest of all time between labor and capital is that capital should own the laborer, whether

white or black.'" (Webb, 150. The first and second quotations are the words of the manifesto, changed only by the italicizing; the remainder of the paragraph is quoted from Mr. Webb.)

To Look Back and Criticise is Easy, but it is doubtful if, in conscientiousness, or in effort to do one's duty toward other classes and the public, the proportion of performance, to means of knowing the right, rises higher now than it was at periods in the past. We must receive the good, however it comes, and be thankful to get it in any way. With long and weary struggle humanity has had to work out its own salvation. The liberties granted in Magna Charta were wrested from King John in 1215 by warring barons. Their turbulence having become ruinous to rising industry and trade, their power was taken from them in 1485 through a bargain in which the trading class gave up some of their liberties to King Henry VII. in exchange for his protection. Charles I. and James II., in 1649 and 1688, were overcome by Cromwell the country gentleman and a solid middle class of farmers and traders. The wave of liberty that struck America in 1776 was started by Rousseau and other theorists, who worked over and added to ideas that came to them from the world's previous thinking. In all these cases the work for liberty was done by the only ones who had the power and intelligence to do it. It is not discreditable to Jefferson, Adams, and the others, that despite all the declamation over liberty they were mostly aristocrats or slaveholders, and knew nothing of the equality that rose in Jackson's time and later from the mixing of people in the West. Some of them foresaw the equality that was coming, and most of them performed nobly their part in bringing it about. Liberty reached the common people about as soon as they were able to use it with benefit instead of injury.

The Common People Deserve Credit for Demanding Liberties that have come—abolition of imprisonment or sale for debt, of binding out to service, of slavery, of foul prisons, of the punishment of many crimes by hanging (all this and more were common up into the nineteenth century); for demanding the right to vote and to combine in unions, and for demanding successively the long list of laws enacted for education, for regulation of factory and mine work, etc. If the workers had not struggled for these reforms they would not have been granted—could not have been used if they had been—and society would have remained in mediæval stagnation. But after all, is there any great merit in demanding changes that result in one's own direct benefit? Was not at least as much credit (especially in England, where men could not free and raise themselves by going on vacant land) due to that majority of the middle and upper classes, who, despite aristocracy, and desire to continue ruling employees autocratically, were honest enough to perceive the justice and necessity of granting, and with apparent loss to themselves, those liberties the people were prepared to use, and later of granting every aid that will result in benefit to them and to society.

As Combination Easily Passes Into Conspiracy, destructive to liberty, the opposition to all restraint of trade, whether reasonable or not, and the delay in perceiving that unionism is beneficial and necessary, were probably not greater than was excusable. In the recommendation by the House of

Lords committee in 1890 of "well considered combination amongst the workers," there was probably no greater sincerity than there was in the relentless opposition a half century earlier portrayed by Mr. Webb. In England most of the demands from workers for new liberties and laws were centered in trade unions, though it was middle class intelligence and Christianity that granted them; but in the American demand for reforms, during 1825-50, and during 1872-98, trade unionists were but a small element among farmers and others to whom unionism was unknown. Before 1860 the progress of liberty and of reform was not confined to the country's few and small cities, where alone unionism existed, nor has the stream of real and pure reform risen since unionism gained its great power after 1885. Unionism is good where needed, though it may easily be overdone, but fortunately the individual enterprise, the love of justice and liberty, that made America great, are still the controlling force, and are this apart from unionism's influence.

CHAPTER IX.

STRIKES, LOCKOUTS, AND BOYCOTTS.

The Feeling Against Scabs. To establish collective bargaining—that is, to force the employer to bargain with the union, or with his force as a whole, instead of taking advantage of men's necessities by hiring them one at a time—the first thing to be done by wage workers, after forming a union, was to spread a feeling against the act of taking the place of one who had stopped work in order to enforce a demand. How well this principle was settled is shown by the present hatred of unionized working people for a scab, or a rat, or a blackleg, or a black sheep—names applied to one who takes a striker's place, or remains at work while others go out on a strike. Without this feeling against such people, however disagreeable and unjust it may be when carried to extremes, there could be no effective union unless every worker in reach were made a loyal member (seldom possible); and men not protected by law would in many cases have to accept the hours, wages, and conditions a short-sighted and grasping employer might choose to fix. Seldom would competition among employers to hire men be sufficient to give the latter half the advantages they now secure by union in bargaining. Unless this competition is so strong as to lead employers to hire men away from one another, it is of little benefit to unorganized and immobile people like the sweat-shop worker, who, bargaining alone, in the usual over-supply of his kind of labor, must take the low wages offered or be crowded out by another. It is the weakness or willingness of this other person that puts the workers completely in the employer's power. Some employer will be bad enough to use this power, and better employers must do so too or be at a disadvantage in competition.

Going Out on Strike. After this rule of honor against ratting became settled, the unions were able to make effective demands on employers, but only by standing ready to resort to another disagreeable practice—going out on strike. Without this the union would amount to little or nothing in enforcing a demand. It would be an inoffensive debating society, good enough to educate its members, and to reason with the employer if he would listen, but useless to remedy a present condition of low wages and many hours. The chief force that moves the employer, even when mild requests are made, is an employee's opportunity to find work elsewhere, or the power of the union to call out his men, and thus to stop his factory and his profits. Doubtless those employers are rare spirits who in granting a demand are moved less by this power than by their sense of justice. Discountenancing rats, and readiness to strike, though both practices may easily be abused, were and are therefore unavoidable if workmen in large scale industry are really to have a share in the wage bargain.

Do Strikes Rest on a Basis of Right? Many observers have objected to them because they are a kind of war. Does this make them wrong? The refusal of one man acting alone to sell his labor for the wages offered is the same as refusal to sell flour or coal for less than the price asked. The individual workman or the flour dealer can ask any price, and change it when he pleases if not under contract. Nobody questions this right of one workman alone. But a factory employer, the party on one side, carries on his business with the labor, not of separate men, but of a force. He is a combination in himself, by reason of his absolute control of the machinery and materials.¹ All the workmen together, or at least all in one department, compose the other party. As one of them standing alone can be ignored by the employer, and as all acting together are scarcely as independent as he, they have no scruples against combining. Then, by refusing to exchange for the wages

¹"A single master," said Lord Jeffrey in 1825, "was at liberty at any time to turn off the whole of his workmen at once—100 or 1,000 in number—if they would not accept the wages he chose to offer. But it was made an offense for the whole of the workmen to leave that master at once if he refused to give the wages they chose to require." (Webb's History, 64.)

offered the quantity of labor demanded, they are exercising the same right as the employer when he refuses to exchange for the labor offered the amount of money demanded. So far the right on both sides is that of any exchange. Hence, to combine for collective bargaining is now the legal right of workmen in all free countries, and by thinkers on the subject is now almost universally conceded to be a moral right and often a duty.¹

Is it Just to Keep Non-Union Men from Working? The element of war appears when other workmen are induced to stay away, and the employer's industry is thereby crippled. This is justified by its necessity for making the combination effectual—a combination made by nature essential to enable men to do their duty toward themselves and families, and toward society. There is no higher duty than at all hazards (within the limits of freedom set by society's welfare) to be a free and independent man, able to contract or not as one's judgment directs. What war there is, when carried on reasonably, is mainly self-protection from exploitation; that is, when no workman is influenced by fear of violence, but only by appeals to his sense of justice and of social welfare, and by fear of the disfavor to be rightly incurred by disregard of them; and when the employer is moved only by fear of inability to hire men, not by fear of violence to his property, or of criminal conspiracy in a boycott to turn against him third parties not concerned in the dispute. With other men ready to be hired, there would be little use for the workmen of the one employer to unite unless their union, or its influence, included these other

¹**That the Quitting is Not Bona Fide**, but is merely a temporary withholding of labor in order to force the employer, is an objection that does not make the case different from the holding back for a price in any sale which one hopes to carry through. Also, the asserted claim of strikers on the positions left has some moral basis in the custom and the economic need of kindly consideration from a powerful employer toward men necessarily dependent on him to a large extent, and not deprived of that claim when compelled by good reason to resort to a strike. Recognition by employers of this claim appears in the fact that few of them feel permitted by conscience to discharge an employee without deliberation and good reason, or feel permitted by expediency, under the necessity of possessing men's confidence in order to obtain best work, and of having some regard to the welfare and consequent character of one's supply of labor.

men too. Besides the necessity of effective unionism for society's welfare, influencing outside men is also justified by their partaking of the union's benefits, for their own advantage at other times and in other shops—especially its benefit of raising wages for all local men in the trade, whether union or non-union. Until selfish disregard of a struggle largely unselfish brings hatred upon non-union men, there is in keeping them away no desire to harm them. They are urged to unite with the union, or at least not to work against it, and in whatever benefits it secures for the craft they are free to share. Hence, except in the few cases where the spirit of monopoly leads a union to shut out persons desiring to become members, or to unite with a trust of employers to restrict production and employment, there is in unionism no conspiracy to injure any body of workmen.

But is There Not a Conspiracy to Coerce the Employer Unfairly? By reason of the employer's long exercise of a large measure of absolutism over the wage contract, descended to him from the days of slavery and serfdom, there is in a strike an appearance of conspiracy to coerce him unfairly. But this view is superficial. The aim of the strikers is not to harm him, but to fulfill their first duty of protecting themselves—to get only what they consider their just dues. The satisfaction that anger may cause them to take in his losses is likely to be no greater than it leads him to take in theirs. Some of the same resentful satisfaction arises from a refusal to contract in any desired exchange. Besides, with excess of loss to one side the other side prevails. As it is from the employer's business that the strikers hope to continue to get their living, their desire is to avoid injuring it any further than is necessary to induce him to agree to what they believe will be best for all concerned. They know that most concerns will quickly fail and stop operations if the employer is robbed, and that wages placed too high may force and enable him to non-unionize his shop. They usually believe that by getting their better work the employer himself is really benefited in being prevented from hiring non-unionists. Many an employer believes the same. Who considers it a lasting benefit to a person, saying nothing of society, to be permitted to gain by taking advantage of the necessities

of others too weak to avoid the exploitation? What is the difference in principle between an employer's cutting down to bare subsistence the pay of people who must submit or starve, and a Shylock pawnbroker's charging of fifty per cent interest for a loan on the last furniture of a family in distress of sickness? The strike, and the efforts to prevent ratting, are necessary, within limits of moderation, to enable a force of workmen to act as one party in the bargain and exchange. When bargaining with them one at a time, in the present struggle for existence in industrial centres, the employer's power over them is dangerous to society. Within moderation, what coercion there is in the union's pressure on the employer, and on workmen to join it or stay away, is a trifle as an evil in society compared with the wrong there would be in the employer's unfair advantage over many workmen if they were wholly unorganized. This is only one of many cases in society where, for the sake of others, and of all together, a person cannot be permitted to do as he pleases. In some cases he is prevented by law, but in others law is not applicable, and the only preventive force is public disapproval, which under the objects and necessities of unionism is justifiably organized and concentrated.

The Employer is Better Able to Bear the War than the workmen. With all their combination, they are not yet on an equal footing with him. He loses his profits while idle, his fixed expenses, and a few customers, while the workmen risk losing the employment on which they live, and are often brought down for a time to a condition of want. When other men take their places their loss is serious. Their strike war is the more allowable because it is started by the party whose risk is greatest. Everybody of right motives, union workmen and all, would be glad to do away entirely with strikes. The constant effort of all unionists worth considering is to reduce strikes to the lowest point permissible under proper regard for right conditions of labor. But workmen have no other remedy. Considered as a whole, as explained in the preceding chapter, the effect of strikes on workmen, on industry, and on public welfare, has been decidedly beneficial. Judging by their fruits is the best method of testing institutions. Strikes must therefore

be justified as a last resort, after all reasonable measures of peace have failed. To work, or not to work, is an inalienable attribute of freedom, the same as to employ or not to employ, to sell or not to sell. To obtain their just dues, many sections of the working class must have unions. To make their unions effectual, they must be able to resort to strikes. Employers are few who without a union, or without a readiness of all suitable workers to refuse his offer and go elsewhere, would grant all in wages and conditions that employees ought to have. The only way to get rid of strikes is for both employers and workmen to learn and frankly agree upon what is just to both sides. Progress in this direction is being made, as will be shown in the chapter on conciliation and arbitration.

Pressure to Join the Union. It is to keep all in the union, and to prevent interference with it by outside workers, that ratting is frowned upon so severely. Efforts to gain men who have never joined the union, nor worked against it, are usually confined to friendly reasoning and persuasion. But it is probable that a threatening attitude (a threat of social disfavor, or of refusal to work with, being allowable, not a threat of violence) has often been taken too soon toward those outside the union who have never specially offended. Men do not like to be forced to join a union by fear of being tabooed, nor to be directly forced to do anything not required by law; and first impressions made by a brusque walking delegate, or shop chairman, on a stranger arriving from a smaller town, may long lead him to fear the union as his persecutor rather than to be drawn toward it as his friend. This is especially true of a man starting a small shop of his own, who in some trades, if he does his own work, must join the union or bear from it a disfavor that is damaging in strongly unionized towns. The fewer the capable men left outside of the union, the greater are its chances to obtain its demands. As it is practically impossible to drive a non-union man out of the business, in view of the desire of some employers to keep him in, to say nothing of the unlawfulness of attempts to ruin non-union shops by boycotting, it would seem as if friendliness to win him ought to be continued as far as discipline will allow.

Is it Right to Refuse to Work With Non-Unionists? Yet

it is the unquestionable right of unionists, in fixing the conditions on which they will sell their labor, to force a man to join the union so far as that can be done by refusing to work with him. The law involved here will be discussed presently. Doubtless also, at the time of a rat's offense, expression of contempt for him is necessary, to deter others from following his example, and to make all realize that it is not only good to be inside the union, but bad to be outside by expulsion. For a person who by ratting obstructs selfishly a collective movement for the good of all, himself included, contempt must unavoidably be felt, whether expressed or not. However, continued ostracism of rats has often reached the stage of fanaticism, becoming one of the excesses by which the growth of unionism in public favor has been seriously retarded. It would seem wise to stop the ostracism where it became sufficient to prevent commission of the rat's offense, in order that he might then be won over to unionism, and changed from an enemy into a friend, as the state now endeavors to reform criminals. Contempt for a rat is less justifiable than contempt for a traitor; because the jurisdiction of a union over the men in a trade is not and cannot be established and acknowledged like a government's necessary power over its citizens, and also because a man refusing to join a union is not recreant to his class obligations in those cases where trade conditions make unionism superfluous or even harmful.¹

The Reasons for Discountenancing Rats. It is sometimes said that unionists may properly refuse to associate with non-unionists because the latter are inferior in skill and character, as physicians discountenance quacks. Objection to rats for this reason exists perhaps to but a slight extent. As explained below and elsewhere, the union's interest is necessarily to get as members all that do the work. To its credit it may be said that unionism is practically free of the tyranny of social exclusiveness or caste, which attempts to keep down many a worthy person in professional and military circles. Another reason sometimes given for refusing to work with rats, namely, the danger of accident from incompetence of fellow employees, is probably thought of but rarely. That ratting brings failure to a strike, and destroys unionism, is reason enough for objecting to it.

When Does the Scab Deserve Praise Instead of Blame? The late remark of President Eliot of Harvard University, that a scab, or rat, is a good type of the American hero, had doubtless no reference to the scab who is said to make a business of strike breaking, or to the scab who slinks in to take selfishly an advantage, not regarding the injury he

Driving a Man From a Position He Has Long Held. For a man at work who refuses to join when an open shop is unionized, no exception could be made. It seems hard to make him

inflict on the strikers and on his class, nor the moral claim of the strikers to their positions if their conduct is reasonably excusable. The scab of another kind, a man who refuses to strike, may thus do right when by sound judgment the strike is unwise or unjust. He is upheld by the union's national officials when the strike is contrary to the union's rules. Of the same type of scab are strikers that return to work before such a strike is ended. Scabs of this class are censured much or little according as they are few or many. Very slightly on them falls "labor's hatred of labor," protested against by Dr. Hillis. When a strike is to be deservedly a failure, they may be justified in ending it quickly.

These Have the Noble Qualities Suggested by President Eliot when they are led less by the motive of saving their wages and positions than by the motive of duty to end a bad movement, and thus to benefit all concerned. Similarly noble is the man that declines to join a union that is not needed, and which, by turning men from individual merit to lean on superfluous collectivism, is likely to result in more harm than good. In many cases workers hold, to a false and evil extreme, the partly true idea that "extension of unionism is their only protection against a slavery becoming more helpless as capital consolidates." Only the first type of scab is "a traitor, false to that cause which can alone bring him salvation, meanly gratifying immediate needs at the cost of the future of the class." (Vida D. Scudder.) Yet even he, despite the gain to himself, may be actuated by a good motive, and may be both physically and morally courageous, when he aims to break a monopolistic holding of wages in one trade so high above the wages in other trades of the same skill as to be unjust to men of the latter excluded, and to the public taxed in high prices. The claim that a scab has no moral right to work, because he thus destroys the hopes of his fellow men, is true or false according to whether or not the strike is just and necessary—to whether those hopes are entitled to such a basis. As to Dr. Lyman Abbott's lately quoted remark, to the effect that it is a worker's duty to join the union, the duty may rest (1) on expediency, in inability otherwise to get work or live in peace; (2) on a real need for a union in the trade; and (3) on a need for conscientious members to direct the union wisely. But where the union is superfluous it would be a duty not to join, and generally a regard for one's individual interests will outweigh as a duty a regard for those of the class. Far-sighted and lawful pursuit of one's individual interests will eventually result in what is best for the class also, and for society as a whole. And in all the cases above it is a duty on intelligent workers to judge for themselves, not passively to fall in with a crowd led mainly by feeling. Fortunately the unbiased public does so judge, and discriminates in its acceptance of the unionist's opinion of scabs. Where the strike is unjust, or the union not needed, or its methods bad, those remaining outside not only gain nothing from the union's efforts,

give up his position, but what else could be done when the union is strong enough to do this? He could give no valid objection to joining and paying the dues of a necessary union

but are harmed by its introduction of coercion and discord, which make conditions worse; and when, by remaining outside, they remove, or prevent the coming of, such a state of affairs, they are the ones that benefit the unionists, and do so by incurring the latter's abuse. No doubt, in the present attempt to plant unionism everywhere, there will be many cases in which the peace of the trade and the town will thus be preserved.

The State Alone Can Have the Power of Compulsion, beyond what compulsion there may be in refusal to work with or associate with one. The contention of some unionists, that a majority of the employees in an industry, by voluntarily associating themselves in a union, acquire authority over those who do not join them, is preposterous. If this claim were granted there could be hundreds of self-formed bodies exercising compulsion, with no higher power to insure that it came from a majority, or that the majority was composed of men really in the trade. Compulsion by any other body than the state is anarchy, and if permitted would soon result in oppression by the strong (who would not be poor wage workers), while the risk of robbery, stopping production, would bring starvation and lead back toward barbarism. What compulsion there is must be enforced by the state's own officials, as in the decrees of courts. In Great Britain the state compels every miner in a coal pit, whether he be a unionist or not, to pay, by deduction from his wages, his share toward the salary of a check weighman chosen by the union.

American Unionists, too, Can Have Compulsion Enforced by the State (can have it take away from each man the right to decide whether or not to join the union as Austria does as to joining the guild) if they can convince legislatures that this is just and desirable; and they can remove constitutional bars if they can convince enough of the people to secure an amendment. What cannot be obtained in this way, experience has proved, is not good for society, nor eventually for any class or individual. In the constitution, drawn from the wisdom of all the centuries, change was made difficult in order that it might be a reliable safeguard for the rights and liberties of minorities, against just such majorities as these in unions, who can enforce their will by mob power, and are not specially in need of constitutional protection. The most noted case of "abiding by the decision of the majority," setting aside the constitution, was the crucifixion of Christ; and there the "standard of living" of the priests was doubtless in the mind of Caiaphas when he said it was expedient that one die and the nation (hierarchy) perish not.

The State and the People Have No Choice in prohibiting unlawful compulsion by the union. Nature, which, to secure to men the justice essential for getting a living, made the state a necessity and has maintained it in some form ever since the earliest savagery, will at once begin to destroy civilization if the state permits unions to rule outside minorities. The state

that aimed to benefit him as much as any others, while to let him stay would weaken the union's position in the shop, since if one could refuse to join others could refuse too, and place the shop outside the union pale. So far as the union improved wages and conditions, he would get the benefits without helping to bear their cost. To permit him to work as before, not sharing the benefits, would leave the way open for others to cut under the rate of the union, and so oust it from the shop.¹

As a man's usual right to do as he pleases, without a reason for it, does not include cases where the rights of others are affected, he could hardly be allowed to stop a union in a justifiable movement whose completion might increase its members' wages for a lifetime, and benefit all in the trade, with society as a whole, and whose failure would take away their present employment altogether in case the shop was ratted with outside men. Hence Mr. Baer was in error when he likened freedom to work as a rat with freedom to worship. Though, since no man liveth unto himself, a person's worshiping is a matter of some interest to others, by reason of its connection with public morality and safety, yet the interest is so remote,

that sinneth long in that way shall surely die. The union's members may impose on themselves any rules they choose that are not contrary to the state's laws for all, but as to outsiders, however selfish, they can do nothing but deserve their support and peaceably persuade them of such desert, back of which persuasion there can be nothing stronger than a threat of refusal to work with or associate with. As men too stubborn or selfish to join a needed union will seldom suit the employer, any greater power of compulsion than unionists have now would be obvious tyranny. The gaining by those few non-unionists who continue to enjoy the union's high wages without paying its dues, and while working against it instead of for it, will not be greater in the aggregate than the gaining by unionists, and would-be unionists, from the effect of non-union action to keep unionism out of trades and places where it would result in general harm. People do not need to join the state, unless they are immigrants, but are born into it, as into the earliest family tribe; and in settling its laws the minority have a part, while its government is the agent of all, and has not, since barbarous times, sought like some unions to conquer outsiders by fair means or foul. Abraham Lincoln, who said "Thank God, the laborer has a right to strike," said also that "No man is good enough to govern another without that other's consent." (See Coal Strike Commission's report, *Labor Bulletin* No. 46, p. 491.)

¹The restriction in 1903, to unionists alone, of an advance in pay in the Pennsylvania soft coal field, many non-union men also being employed, must rest on the union's secure position with the employers' association.

and the question of right worship so difficult to decide, that far more harm than good would come from union or state regulation of religion; but usually a person's working as a rat injures directly all in his trade in the town (himself included eventually) in the concrete matters of lower wages, longer days, and worse conditions of labor, while the regulation necessary in unionism is easily practicable, and may be so conducted as eventually to benefit all and harm none. To render a union strong in the city, and capable of obtaining in wages all that marginal profits will allow, it must unionize all the shops it can. With many shops open to non-union men, it might not be able to control for striking enough of the labor supply to exert much influence on wages; and those employers who justly granted its demands might be weakened unfairly by competitors hiring rats at wages too low.

The Personal Freedom a Man Gives Up by joining a union, a relinquishment often dwelt upon by unionism's opponents as degrading, is like the freedom he loses by living under a government, instead of in the woods as a savage. When going alone, if he works where unionism is needed, he does not have the freedom to raise his wages (under his present efficiency), which is the important kind of freedom to him. He gives up freedom to do what he does not want to do, such as going alone and making his own contracts with the employer, but multiplies his power to attain ends desired. Besides, after joining he is one of the union, and helps to rule it. He may give up less power over himself than he gains over others. The case is the same as that of joining any corporation or society, in which one binds himself to risk or do certain things, or to refrain from doing, for the sake of certain advantages thus to be obtained. In such a case compulsory membership in the union, if one remains in the town or in the business (enforced by refusal to work with non-unionists), is analogous to compulsory submission to the government. The government, as being essential to the well-being of society everywhere, is kept in force by the majority of citizens in the country, through their votes or influence. The union, as being similarly essential in large scale industry, is kept in force by the majority of workers in the trade, through exercise of their

right to refuse to work with persons whose presence is injurious to trade interests. In neither case can society afford to permit individuals to gratify their whims, which would usually result in loss to themselves as well as to the public.¹

The Large Power of Trade Union Officials. As the people composing a government find it advantageous to give much power to officials, especially in time of war, so the members of a union, voting with perfect democratic equality, in meeting or convention, and by referendum, place such powers and checks upon their officials as experience proves to be most wise. In city building trades, the large power given by a union to its walking delegate or business agent, to call out on strike its members at work on a building, secures prompt and effectual enforcement of its rules; but, as in government, such power is sometimes used by the delegate to extort bribes for himself from contractors, and, with unjust strikes, to tyrannize over his trade and the public. Unions, like corporations and governments, find it best to give large powers to executive officers if able and pure men can be found, and can be given so free a hand as to be held responsible for the working of their departments. Generally the power to declare a strike is well guarded by being subject to the approval of executive boards and of national officers, as well as to a two-thirds *vote* by secret ballot in the local union concerned. In the Mine Workers' constitution some features specifically disapproved by the late Strike Commission were the voting by boys for delegates, and the convention's power to decide by a bare majority vote, and that not required to be taken by secret ballot.² In the history of unionism there have been cases in which a strike resolution was forced through a local union or a convention, by not having a secret ballot, and by intimidating those members opposed to the strike. Such a union is like an unstable government, and must learn to adhere to a wise and just constitution or suffer the penalty of going to pieces, which has been the well deserved fate of many a government and of many a union.

²*Labor Bulletin* No. 46.

¹**The Claim That Unionism is Purely Voluntary**, stated by George Howell in his "Conflicts of Capital and Labor," and by witnesses before Parliamentary commissions, is shown by Webb to be equivocal. In a shop fully unionized each man's choice of unionism is voluntary in the sense that

Abuses of Picketing. The methods of keeping vacant the places left by strikers have often included law breaking in violence to men coming to take them, which has unquestion-

he chooses it instead of giving up his job or not securing one. In large districts of England a man could not live as a coal miner outside of the union. No one would work with him, or associate with him. The same is true of different trades in well unionized towns, both in England and in America. As explained above, the union must include all as far as possible, or fail in its main object of collective bargaining. The exceptions to this rule, mentioned by Ralph M. Easley in his article in *McClure's Magazine*, Oct. 1902, must be confined to such cases as those of the railway brotherhoods, which have special reasons for not enforcing it. (1) Generally, by reason of their merit, they are willingly recognized by the employing company, which does not try to displace their members with outsiders, and hence they have no need to enforce such a rule. (2) The favor of a powerful corporation they can win better by conciliation than by striking; and (3) the public would not permit many strikes that stopped train service. The agreement of the building trade unions, in different cities, to work with non-unionists under certain conditions (they have done so to only a slight extent) arose in some cases, at Boston especially, from the willing recognition of unionism, by reason of which the unions do not need to guard their power by refusal to work with non-unionists, and may perhaps extend it and win them by being lenient. (U. S. Industrial Commission's Report, XVII., lxxxv.) But generally, where unionists work with non-unionists the reason is that the union is not yet strong enough to refuse to do so. This really seems to be largely the case with the railway brotherhoods. At best, if a union's influence was to be preserved, the liberality of working with non-unionists would need to be stopped short of permitting them to become the majority in a shop.

Voluntary Unionism the Ideal to be Sought. Yet perhaps the brotherhoods have learned that if strength were not lacking it still is wisest to rely solely on merit when a high level of unionism has been reached. Chief Arthur of the engineers says, "If our record is not sufficient to convince a man that it is to his interest to become a member, he remains out." Chief Sargent of the firemen says the man taking a striker's place will not suit the employer; and that to the union "converts by force are of no value. There has been too much coercion and too little instruction and education along these lines." (See Easley article, cited above.) In all the joint agreements (generally successful) of those in the National Association of Builders with local unions, "it is the recognized policy to make no effort against non-union men, on the theory that if they are simply ignored they will cease to be factors." Mr. Sargent's words are suggestive of the goal that unions should strive to reach. Such reliance on merit alone will be possible when the union draws most or all of the desirable men with its benefit features, and with the social advantage of association with the best; and when the employers in the trade, like the railroads, find that friendliness with the

ably harmed the general cause of unionism far more than it has aided particular strikes. Often it is a drawback in the particular case also. As a union cannot well include all men

union pays. The way for a union to attain this ideal condition is to perceive and acquire merit, and to prove possession of it by instructing all the workers and employers in its trade. This has been done by the Lancashire cotton workers, whose agreement with employers permits employment of non-unionists, but whose unions are so wisely managed, and the need for unions is so clear, that practically all workers in the trade are members. It is such fullness of membership in the British unions of cotton and coal workers that makes very small their out-of-work benefits, the main purpose of which is to buy up the surplus labor in order to protect the wage rate (Webb).

Lawful Coercion in Unionism. By a vote of 4 to 3 the New York Court of Appeals decided in 1902 (170 N. Y. 315) that unionists (without incurring liability for damages to the workers harmed) have the right to force non-unionists from positions by refusal to work with them, and having this right may threaten a strike to secure their discharge, if the object is not to vent spite on them, but is to benefit themselves by strengthening their union, by getting for members the positions of the non-unionists, and by avoiding association with workers whose lower skill might cause accidents. In an Indiana case in 1895 damages awarded against unionists, to the non-unionist they forced out of his position by refusing to work with him, were set aside on the ground that the strikers, not being under time contract, could quit at any time individually or concertedly; that not even a contract can be enforced in involuntary labor; and that no threats or malice were involved. (*U. S. Labor Bulletin* No. 4, page 440.) Even the malice against non-unionists cruelly beaten arises from the effect of their action to thwart the efforts of strikers to benefit themselves. (See the paragraphs on sympathetic strikes, further on in this chapter.)

In Great Britain, in the noted case of *Allen vs. Flood*, decided in 1897 by the House of Lords, the highest court of the empire, against the solicited opinion of six out of eight eminent lawyers, and overturning a long line of decisions, it was held that where an act is lawful in itself the motive is immaterial; that even maliciously to induce an employer to discharge or not to engage an employee, without breach of contract, gives the latter no cause of action. The decision reversed a lower court's award of £20 damages, against a union official, to each of two wood shipbuilders, whose discharge from jobs held since boyhood was forced, through threat of strike, by the iron shipbuilders' union, because the two men had been taught to do iron work. The decision also enabled employers, without liability in damages, or for criminal threats or conspiracy, to coerce employees by threatening a lockout. But the word maliciously, in the *Labor Bulletin* report, seems to require modification; for afterward a high British court, in a similar case, awarded an employer damages, for enticing away his men, because the act "was a wreaking of vengeance on him." (*U. S. Labor Bulletin*

of its trade in the country, and would even then need to give notice of a strike, the stationing of pickets is unavoidable, to meet and dissuade men on their way to apply for work with the

No. 33.) And one of the three dissenting judges in the New York case cited first above referred to a late case in which the highest British court "carefully limited and explained, if not virtually overruled" the case of *Allen vs. Flood*, because its decision, by breaking down the time-honored distinction between fair and unfair competition, encouraged the growth of cut-throat methods with trust monopolies. (*N. Y. Labor Bulletin* No. 13.) Hence, the law in both countries has come into accord with the Lord Chancellor's convincing dissent in the case of *Allen vs. Flood*. He said there could be no complaint of a strike declared against the two shipbuilders because of the inexpediency of having together two sets of men of opposing views; but that a strike to displace and punish the two men because at some time previously they had worked on an iron ship would be malicious and unlawful. This is exactly the position taken in the last New York decision mentioned first above, and is also that taken in part in a contrary decision by the Massachusetts Supreme Court in 1899, in which the authority of *Allen vs. Flood* was specifically denied.

Forcing Out by Strike Men Belonging to a Rival Union, as was done in the New York case, might be as justifiable as if they were non-unionists, since a rival union might obstruct as much as the latter a union's lawful efforts. But a strong union's purpose, as in the British case, of forcing out from another branch of its trade, everywhere in the country, two men who knew its own branch also, and who could not change their knowledge, would be unreasonable and unjust, though not necessarily malicious, protection by the union of its interests. No doubt the award of damages to Flood would stand in Great Britain now, as well as in New York, and in all the states. As stated in connection with sympathetic strikes, the benefit on one side is too small and remote, and the injury on the other too serious and direct. There might be some benefit to a union in forcing out of shops all who were even able to learn its work. The Massachusetts Supreme Court affirmed in 1899 an injunction against members of a union of painters, which notified all the union employers in Springfield that unless those employees belonging to a seceding union signed reinstatement blanks, each employer might "expect trouble in his business." Perhaps, if the men in a single shop had, by threat of strike, forced a discharge of the rival unionists, the small conspiracy involved would have been lawful, as in New York; but in Springfield the threat of trouble indicated more than simple striking, that is, boycotting, and the conspiracy was widespread in the attempt to drive the men from the entire city if they refused to join. The court said the union's advantage in gaining back the seceders, and its rights in relation to their right to be free from molestation, were not such as to bring its acts under the shelter of the principles of lawful trade competition, and hence the acts were malicious and unlawful. (*U. S. Labor Bulletin* No. 31.)

employer struck against.¹ There would generally be no use in striking without active influences to keep away new men. Perhaps contemptuous manner and speech must be expected

The Legal Right to Strike Is Hence About What Unionists Desire— has been settled thus—though in practice much coercion by striking of the employer and of non-unionists, both in Great Britain and in America, has been common since the beginning of effective unionism. As shown in Chapter VII., unionists were punished for criminal conspiracy in only a few early cases in America, and since the legislation of 1875 they have had very little trouble in this respect in Great Britain. In both countries also there have been few suits against unionists for damages. Though, not judging motives closely, previous decisions in both countries were almost invariably otherwise, including a leading case in 1897 in New York, and the Massachusetts case of 1899 referred to above, there is little doubt that the above cited New York case of 1902 will prevail as the law. Such was the opinion of Mr. F. J. Stimson in 1896 (*"Handbook to U. S. Labor Laws"*), and such have been several intermediate court decisions in New York since 1898. The many state statutes (*U. S. Labor Bulletin* No. 26) that seem to make criminal or actionable much of the coercion of non-unionists and of employers, will stand unenforced, as usually heretofore, or be rendered ineffective by absence of malice. See, in a note in Chapter XIX., reasons why the New York decision of 1897 is perhaps not contrary to that of 1902.

¹**What Pickets May Do in England** has been determined by decisions under the Conspiracy and Protection of Property Act of 1875. They may only give and seek information, and peaceably persuade. A penalty of £20 fine, or imprisonment not exceeding three months, prohibits one person or more from using violence to or intimidating another person or his family, or injuring his property; from persistently following him; from hiding his tools or clothes, or hindering him in their use; from watching or besetting his home or place of business, or the approaches to it. By trend of decisions the intimidation must be a threat of something which, if carried out, would be a criminal act against person or property, not simply a civil wrong or moral compulsion. This law of 1875, a victory for workmen because permitting them to do in combination any act not unlawful when done by one alone, is now prized less perhaps by workmen than by employers; for by defining what strikers (one or more) may not do, it gives employers a ready remedy in criminal arrest, and in injunction to cease molesting them. Workmen would like greater privileges in picketing, but their present agitation for this will doubtless fail. (*U. S. Labor Bulletin* No. 33.) They have sought to have the word intimidates displaced with the words inflicts or threatens violence. This change of the law was recommended by a majority of the Royal Commission on Labor in 1894. The trend of decisions is to hold picketing to giving and getting information, restricting even peaceable persuasion, and limiting the number of pickets to about two. To these narrow bounds picketing has been virtually settled by the famous Taff Vale decisions of 1901-2. (Chapter XXVII.) When un-

from all but self-contained pickets when men resist their reasoning and pass in to accept work. But this undoubtedly is the limit of allowable action by the union against these men. Any

desired, persuasion soon becomes molestation, and the mere presence of an unfriendly crowd intimidates. (See chapter on injunctions.)

In America Legal Rights in Picketing and Enticing have been narrower, by the common law and by the statutes of most of the states, though several states have statutes permitting substantially the British right of combining to do in a trade dispute any act not unlawful for one person. But in practice strikers have long had greater latitude in this country, picketing being done by large crowds, with much violence and intimidation, and usually in such cases without punishment, despite the statutes of many states imposing fines and imprisonment for conspiring and coercing employers, and employees desiring to work. (*Labor Bulletin* No. 26.) The fact that men remaining at work, or taking the places of strikers, are frequently protected by policemen or special guards, or eat and sleep inside the works, proves that the picketing is very different from persuasion or getting information. During the last few years, however, injunctions against intimidation have been frequent, and what may lawfully be done in picketing is becoming settled. A county judge at Detroit, in 1901, being asked to define the rights of strikers against whom he had granted the employer an injunction, said that they had a right to circulate their printed matter and to accompany the employees home, provided they did so in an orderly manner, and did not use threats or violence. He complimented the strikers on their law-abiding conduct. Strictly lawful picketing in America, as stated by this judge, and in many high court decisions reported in *U. S. Labor Bulletin*, is hence more liberal now than that permitted by the British law described above, in that the persuasion and the number of pickets are not closely limited if the pickets are peaceable, and are not so numerous as to be menacing in presence. As indicated above in connection with the right to strike, the employer has now no right of suit for damages or injunction against peaceably enticing away employees not under contract, nor is combination in unionism indictable as criminal conspiracy, or actionable or enjoined in favor of non-unionists damaged, unless it resorts to boycotting, to extortion, or to pursuing or punishing non-unionists as in the cases of Flood and the Massachusetts painters. Perhaps the most complete statement of the position of American courts now in regard to picketing is that quoted below from Judge Chetlain of a county court at Chicago, which Mr. Gompers says (*Federationist*, March, 1902) "leaves little to be desired."

"Workingmen may use the streets in a manner not inconsistent with public travel for the purpose of entreaty, inducement, and peaceable persuasion in good faith, and a patrol or picket may not necessarily imply force or a threat of bodily harm, but they may not use threats, abusive epithets [such as the cry "scab"] or intimidation, or congregate in such numbers or with such show of force as is calculated to intimidate reasonable and prudent men, and no harm can result in granting an injunction to restrain such unlawful conduct." By a leading New York decision ridicule or shouting by one alone is criminal.

picketing that results in bodily injury to them, or that will lead even the timid and weak to fear such injury. the fair-minded and good-intentioned public cannot afford to countenance. While it may be selfish or inconsiderate to accept a striker's place, it is an offense that cannot be punished by law, nor with any violence by a union or other agency without trampling upon the law.

Any Measure of Liberty Now Endurable in America must permit many acts that are selfish and unkind. Personal conduct cannot be confined within narrow limits of correctness by force, especially such force as that of the clubs and bricks of hot-headed strikers and sympathizers. The disfavor of one's fellow men is sufficient punishment for acts of selfishness and unkindness. Worse punishment is likely to make a man feel justified in committing them, by viewing his persecutors as undeserving of considerateness, and also to awaken feelings of justification in others, who often reason that the poor scab ought to be praised for incurring danger and accepting work in order to support his family. Public opinion will now almost invariably support a strike in a just demand for higher pay from marginal profits that can afford it, or for removal of onerous conditions of labor. But often before the strike is over, by acts of violence to non-union men, by destruction of the employer's property, and by wanton disregard of the rights and interests of the people, the union forfeits public favor, and does not regain it soon again. Neither for friendliness to the cause of labor, nor for any other reason, are the people ready to tolerate the beating and killing of defenseless men who have disregarded no law. The power of trade unions in America was badly weakened by the violence in the great railway strikes of 1894. Perhaps they have not yet fully recovered their former position of influence, despite the doubling since then of their membership. Every case of violence and unreasonableness among them tends to settle the law toward holding them more closely within bounds.¹

'Who Are the Rioters? It is often said that the worst acts of disorder connected with large strikes are not committed by strikers, but by lawless outsiders who take advantage of the opportunity the strike affords. Undoubtedly there is some truth in this claim, especially in the throwing of

Boycotting is not simply a termination of a person's own dealings with a business concern that has given offense, but consists of a combination among a number of persons to do

stones by outside hoodlums that like such excitement, and in the firing or breaking open of cars by outsiders desiring to steal or enjoying destruction. For the unavoidable effect of a just strike to make disorder easy, unionists are not to be blamed if their going out on such a strike is the only way in which the disorder involves them. But the truth in the claim as to lawless outsiders seems insufficient to lessen very much the strikers' guilt. Many facts against them seem conclusive. It has gone into history undenied that the important cases of massacre and murder mentioned near the close of this chapter were committed under direction of strike leaders, as deliberate steps in the strike campaign. An organizer of sailors' unions recounted with evident satisfaction, in *The Independent* of Nov. '6, 1902, his many exploits in advancing unionism by leading in violent attacks on men who stood in its way. In *McClure's Magazine* of January, 1903, a reliable investigator of the late anthracite coal strike mentions one case in which strikers waylaid and murdered a neighbor going to work, and scores of cases that included (by them) brutal beating, blowing up of houses at night, and cruel persecution of non-unionists' wives and children. In calm articles in *The Outlook* of Oct. 18 and Nov. 8, 1902, unbiased residents of the coal regions show that the common reports were true of the existence of a reign of terror. In its unanimous report, after taking many thousands of pages of testimony, the Coal Strike Commission, which included such friends of unionism as Bishop Spalding, Carroll D. Wright, and Chief Clark of the conductors' brotherhood, said that the strike's history was "stained with a record of riot and bloodshed, culminating in three murders, unprovoked save by the fact that two of the victims were asserting their right to work, and another, as an officer of the law, was performing his duty in attempting to preserve the peace." Men who chose to work and their families were "terrorized and intimidated." The good order was mainly where there was no attempt to work the mines with non-unionists.

That the Union Did Not Order the Violence, in the coal strike, by formal vote, can readily be believed, and also that little or no violence was committed by order or direction of union officials. But there was no need to order violence officially; it was to be had by simply permitting it. While the union by vote, or its officials by order, could not regulate the individual or small group action of tens of thousands of strikers, and were naturally interested in encouraging zeal in the cause, yet if violence was not wanted by the union it would seem that a tenth part of its collective energy directed against scabs would have effectually restrained the hot-headed among the strikers and the lawless among the outsiders. Also, if violence was not wanted it seems strange that, instead of its being denied and minimized by unionists everywhere, it was not by union authority stopped early by its acknowledgment, and by hearty coöperation with the law officers for its suppression. In frequent cases strikers evidently desire to resort to law

thus, and generally includes efforts by them to induce still others to join in the movement. When these others who refuse to join in the boycott are themselves boycotted by the original

breaking so far as by scaring away non-unionists it will advance union interests, stopping short of the point at which it calls for suppression by troops, whose presence benefits the employer by emboldening non-unionists to go to work. The citizens' alliance, formed for protection during the anthracite coal strike of 1902, asked pointedly of the strike managers for specific effort to restrain violence instead of platonic speeches against it, apparently intended to conciliate the outside public rather than to affect the action of strikers. And though Mr. Mitchell was doubtless sincere when in private meeting he urged the strikers not to give way to violence, warning them that it would alienate public opinion and bring deserved defeat, it still seems strange that if violence was not wanted by the union as a whole its harmfulness to the cause could not be explained to the strikers, and its prevention effected, like the many rigidly followed points of union policy. No doubt union leaders would prefer not to use violence, but as conditions stand they accept its aid. Unions sometimes pay the fines.

It Was Not Proved or Believed that the local unions and local leaders in the coal strike desired or tried to prevent such violence as would benefit the movement. *Labor Bulletin* Nos. 25, 41, and 45 record in court reports the facts that, under direction of bodies and officials of the United Mine Workers' organization, hundreds of armed strikers camped and marched and resorted to terrifying intimidation and violence, in Arkansas, Kentucky, and West Virginia. (Chapter XX.) The union violence came not only long ago, as at Homestead and Coeur d'Alene, nor far away, as that put down by federal troops in Arizona in 1903. The best and fairest writers often refer to strike violence in general as proceeding from the union, not deeming its efforts at prevention, nor the violence done by outsiders, as worthy of mention by way of exception. The union's complicity is admitted in the common contention of unionists that the scab has no right to consideration, and especially is it admitted in

The Eleventh Commandment. In *The Outlook* of Nov. 3, 1902, is given the untenable union doctrine that as strikers offer to arbitrate, it is permissible for them to use violence to enforce their eleventh commandment, "Thou shalt not take thy neighbor's job." Here it is overlooked that, to avoid anarchy, or robbery by a mere class or band, only the whole people as the state can sanction physical force for any purpose except self-defense from violence; and also that by carrying out this eleventh commandment unions can (and sometimes do) enforce monopoly powers, shamelessly exploiting workers excluded and consumers overcharged. However fair the offer of arbitration, strikers cannot force the employer by taking the law in their own hands. The right to remain at work or take a striker's place is a "part of personal liberty that can never be surrendered, and every infringement thereof merits and should receive the stern denouncement of the law." (Strike Commission.) This right to work is not

combination, the warfare of labor disputes reaches a bad stage. Those who come to take vacated places injure directly the strikers' chances of success, and by doing what is commonly regarded as a contemptible act. There is justification for persistent effort to keep them away. But with others the case is different. Not being interested in unionism, they are dragged into the dispute and injured. It is needless to say that liberty has disappeared when strikers so terrorize a town that people are afraid to sell goods or furnish board to non-union men, or in a city to be seen doing business with a car line or other concern the union has boycotted. The profit or advantage in every transaction a boycott frightens one into declining

affected by disapproval of the scab's conduct. If it were, a majority remaining at work would have the right to prevent the others from ceasing.

"The evidence does not disclose that any of these acts were disapproved, that the guilty ones were remonstrated with, that their strike benefits had been stopped, or any protest had been made. On the contrary, the evidence shows that William Richelieu, who appears not only to have been an instigator but an actual participant in several assaults, was thereafter placed in charge of the pickets as captain." (Judge Munger on the strike of Union Pacific machinists at Omaha, 1902. *Labor Bulletin* No. 47.) "Hospitals are full of scabs. Four have died at Cheyenne, while three others have been killed in the shop . . . Professionals are the only ones that stay, and you can do only one thing with them." (Officer's report in *Machinists' Journal*, Jan. 1903.)

How the Union is Responsible. It is undoubtedly true that outrages upon non-unionists occur only where respectable union sentiment looks upon the crimes with toleration. Sometimes the union tacitly approves, if it does not invite, assault, incendiarism and murder, its attitude being that any means are warranted. Only that little violence done for the sake of theft, or for the love of it, is imputable to the individual perpetrators alone. For all the rest the chief responsibility is upon the union, which, like any corporation, is a body of itself, with powers apart from those of individual members. The strike is its own movement, not that of individuals, and the violence is committed for its sake, and is accepted by it with persistent effort to shield the perpetrators. So far as the union does not do, in action by vote, and by official order and influence, all in its power to prevent violence, including coöperation by it with law officers, it is by permission and encouragement as responsible for the violence as if it had ordered it. Its duty to society is to exert all its power to control the idleness caused and the passions aroused by the strike it voluntarily brings about. So far as its intention is to gain from intimidation, it violates the law from the beginning; and so far as only by law breaking it can carry out its purpose, it has no right to exist. The danger point in the union's responsibility is that intimidation and violence make many a strike more effective. Most of the assertions in this paragraph were made by the Coal Strike Commission.

is a forced contribution levied on him in support of the strike; and old people, women, and others, who walk because fear of violence keeps them away from street cars, are practically forced against their will to join and march in the strikers' movement. As the strikers do not levy the contribution for themselves, but to keep it from the employer struck against, they may not commit robbery, but on those thus forced to contribute the loss is the same, and their deprivation is for the strikers' benefit. Extending a boycott to others than the employer and his non-unionists is like the sovereign act of capturing from neutrals war materials in transit to an enemy. The union may call its regulations laws, but its jurisdiction does not extend over the public. Also, extorting from the boycotted person, when he surrenders, a sum of money to defray the expenses, is the same in principle as the exaction of a war indemnity by a victorious nation.¹ In view of these facts, and of the union's status as a voluntary body any group of people can form, it is easy to agree with the Wilkes-Barre judge who said in 1902 that "the boycott is destructive to personal liberty, and utterly subversive of all social order, all law, and all government."

¹Extorting Money for Boycott Expenses. In 1886, to force the proprietor of a large saloon in New York to displace with unionists the waiters and bartenders he had long employed, a crowd of 500 carried banners in front of his saloon for fifteen days, warning the public that he was a foe to organized labor. To save his business from ruin, he consented to employ none but unionists, and paid the boycotters \$1,000 for their expenses. A number of the boycotters, being convicted of criminal conspiracy and extortion, under New York statutes, were imprisoned for terms of from one and a half to four years. (Stimson, Handbook, 258.) Mr. Stimson cites another case in which a boycotter said of the cost, "It will be paid by the *Courier*." The New York Supreme Court affirmed in 1893 the conviction for criminal extortion of a union official who demanded and received money for calling off a boycott. In Boston about ten years before, forcing an employer by strike to pay a fine of \$500 imposed by a union of stone cutters was held to be illegal and actionable (Stimson). Unions may fine their own members, but may not force payments from outsiders. In June, 1903, two walking delegates in New York were arrested for extortion, and evidence was found of payment by a building contractor of \$2,500 to each of five walking delegates for calling off strikes in their respective trades. It is believed that New York delegates have many times used their power to extort money for themselves or the union. The 1903 lockout by New York building contractors took away some of the dangerous and tempting power of walking delegates, as was done in Chicago in 1900.

How Far is Boycotting Justifiable? Abolitionists in the North boycotted the products of slaveholders; preachers have advocated a boycott of Sunday newspapers, and temperance speakers a boycott of persons connected with the liquor traffic.¹ A conscientious person may feel it his duty to withhold in his own case the patronage that gives evil people more power, and he may even feel it his duty to induce others to do likewise. In the cases above it was a kind of *business* that was boycotted. But to induce people not to deal with a particular person or firm cannot be carried far until it becomes actionable for damages, and, if joined in by two or more, becomes criminal conspiracy. The common law against boycotting, which is supplemented in a few states by statutes, seems thoroughly just, and is very old.² This law now is that workmen associated together in a union may combine to cease dealing with an employer who refuses to comply with their union's rules, since they constitute the union aggrieved, and are directly to be benefited by inducing him to yield; and it seems also, though denied by a Buffalo judge in 1899,³ that it will soon be held legal for the local union concerned to induce all other unions in the city or country to join in the boycott, since most of them are united in the American Federation, and all have a common interest in strengthening unionism as a whole, and in assisting one another in boycotts. Their members do not need to be urged and forced to boycott non-union goods, but desire to know which goods are of that class. When officially notified of an employer's unfairness they voluntarily agree to apply in his case one of the methods of their combination made previously. Boycotting of this kind, to check which no attempts seem to be made by injunction or suit for damages, is carried out by publication in the *American Federationist* of the long list headed "We Don't

C. D. Wright, "Industrial Evolution."

²Of a boycott case in England in 1221, the record of which includes the sentence "They have caused proclamation to be made that none sell merchandise to the abbot," Mr. Stimson says in his Handbook: "This is a remarkable record, for in ten lines of the law Latin we have here set forth all the important principles of the [present] law of boycott, . . . neither party nor the court making any question of the illegality both of the conspiracy and of the act complained of."

³Indus. Com. VII. 634.

Patronize," and by reading of unfair lists and boycott requests in unions and trades councils. But attempting to bring into the boycotting combination any persons not interested in unionism, especially when they have to be threatened with the compound boycott should they ignore the request, annoys and harms them as previously explained, and when successful is too dangerous a means of coercion and tyranny to be tolerated by law. "In no case decided by the higher American courts has a boycott by workingmen been specifically held legal."¹

Labor Leaders Defend Boycotting, as a legitimate and necessary weapon of labor, as they minimize or condone the violence in strikes, and vehemently denounce the use of troops and of injunctions, where it would seem that such use could interfere with the exercise of no lawful rights. Evidently unionists think the direct benefits of those forms of law breaking for which they are seldom punished outweigh the indirect effect to turn public opinion against them. "The broadest-minded and most conservative of the union leaders defend the right to use the boycott, without hesitation or qualification, and regard the tendency of the courts to condemn it as one of the marks of the injustice with which they believe the working people to be treated by our rulers."² In the elaborate written defense presented by Mr. Gompers to the Industrial Commission, he claims that to induce a person to join in a boycott, one unionist or a hundred may not threaten to beat him or to burn his house, but may threaten to cease dealing with him, since to

¹Industrial Commission Reports, XVII., page cxix. These nineteen volumes, issued in 1900 and 1902, contain the latest and largest body of information concerning American trade unions and their policies, besides a vast fund of well arranged matter on various industrial subjects.

²**Not All Leaders Favor Boycotting.** The statement quoted above, made by a writer in the Industrial Commission's Report, is taken from Vol. XVII. It was well justified by the testimony of labor leaders before that Commission. But by a different view Mr. E. E. Clark, head of the railway conductors' brotherhood, showed in a very recent address at Boston his worthiness of his appointment by President Roosevelt on the Coal Strike Commission. While of course asserting the right to strike in support of a proper demand, Mr. Clark said that if organized labor cannot work out its salvation without unlawful acts its existence cannot be defended; that an employee who uses the boycott, beyond the exercise of his own free will, cannot complain of the employer that uses the black list.

cease dealing they have a right. This can be admitted, as it may be also that unionists have the right to *agree among themselves* on a boycott, and perhaps to issue a general appeal to outsiders for *voluntary* assistance in it. But he does not mention the vital matter, which is that one may not without incurring liability for damages, and that more may not without being guilty of criminal conspiracy, attempt to destroy a person's business by actively inducing uninterested third parties, however peaceably, to cease patronizing him, and especially by forcing these into the boycotting agreement under the duress of fear of loss to themselves. It would seem that the law here must continue to be approved as just by the unbiased, whatever the grievance of strikers, and however much they might better their condition. No worker is bound to remain with any employer, and for helpless poverty there is lawful provision; while to better their condition is the object of most men who commit property crimes. But if boycotting were made legal there would be no remedy for the employer ruined, though by mistake the claims of the strikers were untenable, or though they were actuated by malice. In the future, as found necessary in the past, the fact of opportunity for grievous injustice and tyranny will continue to make criminal the combining by many to do what for one alone would be innocent, or only actionable for damages. The Industrial Commission's suggestion, that combined withholding of patronage by unionists, and by others because of sympathy, be permitted as lawful, but that it be unlawful to coerce third parties through fear of loss to themselves—seems unobjectionable if the sympathetic withholding by third parties be wholly voluntary, given in response to mere request, and involving no urging. The latter soon has a coercive effect. It would seem safest also that the appeal be general—not addressed to any one by name, since one thus addressed is often coerced by fear of having his compliance inquired into. Unions have engaged in so much coercion that where they are strong the people are fearful of incurring their disfavor.

The Natural Cure for Boycotting will doubtless be sufficient to prevent troublesome resort to it, and to prevent a material change of law in its favor. This is the same cure of

majority self-interest that has driven to hiding the various criminals who injure society. These would go free if those who gained from them were more numerous than those who lost. People forced in a boycott to incur loss are not likely afterward to favor the union by which their trouble was caused. Many remember a strike with inward fears as to whether our cherished liberties are about to give way. More people are directly injured by the boycott than can be directly benefited by it. Resistance by the neutrals against whom the war is extended strengthens the employer's side. This fact will save society from boycotts carried to serious lengths, except here and there in a population composed almost wholly of unionists and of those dependent upon their patronage. Another safeguard against boycotting is its effect to check business and lessen the employment of the boycotters themselves.¹

¹Boycotting is Now Very Common in those states in which unions are numerous, as it has been for nearly twenty years, being a part of the usual procedure in a strike. Injunctions stopping boycotts, which are generally granted by courts where the damage to the employer's business is important, have been frequent during the last several years. Men engaging in boycotts seldom have property to be reached by suit for damages. But most of the appeals to the public to assist in boycotts are made in a moderate spirit, without effort to harm the many by whom the appeal is not heeded. Circulars setting forth grievances are distributed, and letters are written to important patrons of the offending concern. It now seems to be realized, as a rule, that moderation in the request is necessary to avoid making it oppressive, and hence a source of more harm than good. Union committees calling on merchants are generally careful in this respect. By large concerns doing business over a wide area, a boycott is often ignored. In 1903 a boycott was in progress against the cracker trust and another against the cigar trust. One commodity on the unfair list, being made by scab workers, was a cigar bearing the name of a famous writer for the cause of labor. Now and then, against a strong concern whose opposition to unionism is outspoken or otherwise influential, a boycott is carried on for many months all over the country, unionists using their influence as consumers by writing to merchants buying the concern's goods, or writing to advertisers when the concern is a newspaper. Such writing has often the desired effect of stopping the patronage. Union organizers everywhere urge locally the boycotts they know of, and sometimes a union, besides publication in its journal and use of circulars, sends out a boycott agitator. To unite all local unionists in boycotts is a main function of trades councils. This peaceful urging of boycotts among unionists, and even the writing of letters to outsiders, seems now never to be enjoined. In a decision of 1898, which

Blacklisting by Employers is Their Boycott of a man who in their opinion has proved to be an obnoxious striker, as combination by employers in wage disputes is their union to resist

enjoined distribution of a boycotting circular, and picketing that included intimidation and the keeping away of customers (never lawful), the Michigan Supreme Court said: "They may present their cause to the public in newspapers or circulars, in a peaceable way, and with no attempt at coercion." (See Chapter XVIII. for an account of the union label.)

Judge Caldwell's Defense of Boycotting, made in 1896 in his dissent from an injunction granted by the federal circuit court at Kansas City, to restrain local unions from carrying through unions all over the country a peaceful boycott of machine-hooped barrels—seems to be in effect a strong argument on the other side, since his defense may be regarded as the ablest that can be made for his untenable contention. The proposition that it is unlawful for men to do collectively what they may lawfully do individually, he called a relic of the Dark Ages, saying that it compels every man to be a stranger to his fellows, and hence is hostile to the natural law of association by men for mutual advantage. He said the unionists were enjoined from refusing to buy; that if such were permissible the court should tell them what to buy; that if it could restrain them from refusing to buy, and from persuading others not to buy, there would be no greater invasion of natural liberty in its commanding them to buy the barrels and to persuade others to do so. (*Labor Bulletin* No. 16.) Such exaggeration and misconception are rare in court opinions. Use of pleasanter words—agreement for conspiracy, and notice for threat—will not remove the serious fact, known from the experience of centuries and especially from that of to-day—that there is a crime of conspiracy, and apart from threats of violence.

The Law is Liberal in Reasonable Combination, as shown above in the right to strike. For one person to induce third parties not to buy is actionable for damages, and that it is unlawful to combine to do what may be innocent for one is asserted in those leading decisions which are most favorable to combination. The distinction seems clear, just, and surely liberal enough, that was first made in 1892 in the British Mogul Steamship case, in which it was held that by giving a rebate in price to get all of a customer's trade a trust may lawfully drive a competitor out of business, but that it is unlawful conspiracy to combine to do this for the purpose of injuring him. This distinction, which Mr. Stimson thought in 1896 would be the ultimate test of unlawful conspiracy, has been made repeatedly in America, especially in a decision holding that it was lawful competition for an association of lumber retailers to agree to cease buying of a wholesaler who sold to consumers in their city, and for their secretary to give members notice of his selling. But it was stated in these decisions that those in the combination could not lawfully induce an outsider to join in their boycott. The rule for trusts of employers is the same for unions of workers, as explained above, and seems to be all that was contended for by

union. It might appear that neither action by employers could be complained of by wage workers who had done the same things first. One employer is equal to a combination of his

Justice Holmes of Massachusetts in his defense of combination as a beneficent and inevitable accompaniment of free competition. (*Indus. Com.* XVII. 552. *Bulletin*, Nos. 14, 16, 22.) It seems to permit all the combination that is wholesome, and much more than men generally care for. For third parties brought into a boycott, there is usually no gain, but loss; while their coming in brings to the original boycotters a gain too small and remote, and to the person boycotted a loss too direct and formidable, to admit of boycotting being tolerated. Not only is it actionable for damages, but so great is its power of tyranny that it soon becomes an attack on society, and hence is a crime against the state. If resort to unlawful boycotting were permitted to wage workers, and they carried it far, there would be the usual effect of injustice to fall on them heaviest of all. Employers would combine (as they have done lately in some places where unions abused their power) in an irresistible boycott not only of unionists, but also of those hiring them. (See Chapter XX. for a Missouri decision of 1902 on boycotting and freedom of speech.)

In the Anthracite Coal Strike of 1902 local boycotting reached extremes—hundreds of dealers refusing to sell to scabs; strikers marching out of churches to avoid worshiping with scabs; a doctor being roughly handled for attending the sick in the house of a scab; operatives in a factory striking to secure the discharge of a scab miner's daughter; and school children striking to exclude pupils and teachers related to scabs. In this strike the hatred of scabs was perhaps never equalled, sinking in bitterness far toward the level of the diabolical and being destined to continue for a generation. (*The Outlook*, Nov. 8.) In the Cleveland street railway strike of 1899, involving use of dynamite and protection by troops, and ending in favor of the company, business men organized a counter boycott against the strikers. Similar action was that of the citizens' alliance in the coal strike mentioned. In such organizations self-interest tends probably to lean too far to the side of the employer.

The Strike Commission on Boycotting. "The right and liberty to pursue a lawful calling and to lead a peaceable life, free from molestation or attack, concerns the comfort and happiness of all men, and the denial of them means the destruction of one of the greatest, if not the greatest, of the benefits the social organization confers. . . . Carried to the extent sometimes practiced, the boycott is a cruel weapon of aggression, and its use immoral and anti-social. . . . To render their victim's life miserable, by persuading and intimidating others to refrain from intercourse with him, merits and should receive the punishment due to such a crime. . . . It is tyranny, pure and simple, and no society that tolerates or condones it can justly call itself free. . . . Some weak attempt was made at the hearings to justify such boycotting by confusing it with voluntary abstention by one or many from social or business relations with one they dislike. . . . The practical distinction is clear. . . . These practices [the violent boycotting in the coal strike] would be outside the pale of civilized warfare; in it women

own men, but perhaps a union of all the local workers in a trade might not be much exceeded in power by a combination of all the local employers. Combinations of employers are not greatly objected to by unions, and are not unlawful; but blacklisting has come under the ban of law more generally than boycotting, perhaps because legislators are more ready to openly favor workers than employers, and also because blacklisting is secret and more effective than boycotting, and falls on persons less able to bear the injury. Not only is blacklisting, like boycotting, criminal conspiracy, under the common law, but special statutes against exchange of blacklists among corporations, and against other forms of the offense, have been enacted in many states, and by Congress for railroads engaged in interstate commerce. Both being conspiracy, the Illinois statute includes blacklisting and boycotting as one offense. A similar statute of Colorado was repealed in 1901.

The Serious Evil in Blacklisting is that through it an employer, by warning other employers against him, may be seeking maliciously to harm a man he has discharged. The likelihood of malice seems greater than in boycotting, because the boycotters hope to continue getting their living from the business boycotted, while the employer is not dependent upon the man he blacklists. By the secret blacklist, railroad companies, especially after the Chicago strike of 1894, are believed to have hounded many a man relentlessly, until he was driven out of

and children are safe from attack, and its code of honor cries out against the boycott we have in view. Cruel and cowardly are terms not too severe for it." (*Labor Bulletin* No. 46.)

It Was Proved in a case of 1888 "that the conspirators declared their purpose to 'crush' Baughman Bros.; that the minions of the boycott committee dogged the firm in all their transactions, followed their delivery wagon, secured the names of their patrons, and used every means short of actual physical force to compel them to cease dealing with Baughman Bros." (U. S. Labor Report of 1901, p. 944.) Yet, if they did not threaten violence, they did no more than Mr. Gompers claims all have a right to do. In the words of Judge Taft, "it is clear that the terrorizing of the community by threats of exclusive dealing, in order to deprive one obnoxious member of means of sustenance, will become both dangerous and oppressive."

The Weak Attempt mentioned by the Strike Commission appears in the following: "When statutes prohibit boycotting we have a relic of the ancient and confusing notions of conspiracy. The strike is merely suspension of work; boycotting is suspension of patronage; neither is an infringement upon any right deducible from the principle of equal liberty." (Editorial in *Amer. Federationist*, Sept. 1902.)

the business.¹ From ease of abuse blacklisting could not be freely permitted, even though the employer's motive was not malice toward the discharged employee, but only a desire to shield his fellow employers from an objectionable man. A person may become liable for damages if he voluntarily warns another of a third person's bad character, unless a reason for the warning is danger of loss to himself. But the employer to whom a person applies for work may be as particular as he pleases in requiring references, and in investigating the previous record. To him the applicant's character and capability are properly matters of importance, and his inquiries, made first, previous employers may legally answer, without liability for telling anything that is true. Laws against blacklisting need therefore cause no hardship to employers.

¹C. J. Bullock, "Outlines of Economics," 437-40. Mr. Strong, attorney in many blacklist cases at Chicago, testified that fully half the men who went out at Chicago in 1894 failed to get railway employment again. (Indus. Com. IV. 132.)

Blacklisting and the Law. The question of blacklisting has seldom been passed upon by courts. At Toledo in 1895 the right of a man blacklisted to sue for damages was sustained. The charges there taken as confessed were that the Lake Shore Railway, and all the other trunk lines, had adopted blacklist rules. (*U. S. Labor Bulletin* No. 2.) In 1896 damages of \$1,700 were awarded in a federal court in Florida, and paid, to a conductor, who, after being engaged and sent to learn the route, was not given the position because of a personal letter from his previous employer telling of his having left under charges. (*Labor Bulletin* No. 4.) The Ketcham case, in a lower court in Chicago, in which \$21,666 damages were awarded in 1899, was continued for a new trial, and is still pending. The Illinois Supreme Court decided in a case in 1900 that there was no cause for action; that the usual clearance card given railroad men by the last employer is legal, but that he has the right to refuse to give it. Since the strikes of 1894 the general rule in the West is not to employ a man from another road without this card. A Georgia law requiring corporations to give written reasons for discharging an employee was set aside in 1895 as unconstitutional, because liberty of silence is included in liberty of speech, and because the law served no public purpose. A number of states have such a clause in their blacklisting laws.

Blacklisting Held to be Legal. In 1901, in two suits in Chicago for damages for striking label girls, whom all the local meat canning firms had agreed not to employ, two circuit judges held this blacklisting to be legal. One of them said: "One has a right to decline to enter the service of another, and several persons, acting jointly in pursuance of an agreement to

The Employer's Right to Decide Whom He Will Hire, however, can be but slightly affected by laws against blacklisting. From the minute inquiry blank that railroad companies require applicants to fill out, giving information as to time of previous employment—besides the clearance card mentioned in the note below as being legal, and besides correspondence with previous employers given as references—it is easy to discover, without any form of blacklisting, if an applicant has been an obnoxious striker, or is otherwise undesirable. These minute inquiries are necessary, that the lives of the traveling public may not be entrusted to unsuitable men. If enacted, the most radical and unconstitutional measures proposed—forbidding a previous employer to give the date of a man's leaving, or to report him as unsatisfactory if the only

that effect, have the right to so decline. So, one has the right to decline to employ another, and several persons, acting jointly in pursuance of an agreement to that effect, have the right to so decline." This case was carried to the state supreme court, where it is still pending. Its decision there a number of railroad cases in lower courts are awaiting. Three suits for damages, in cases of blacklisting, were decided against the plaintiffs in 1901 by the Supreme Court of Kentucky. The judge said the agreement of three insurance companies not to employ men whom either had discharged was contrary to public policy and not obligatory, and that hence the refusal of two of them to employ the plaintiff was their voluntary act, violating no legal right of his, and giving him no cause of action. (*Labor Bulletin* Nos. 37 and 39.) It would seem, in view of this case, and of that of the Chicago label girls, that blacklisting cannot be prohibited if confined to employers previously united by agreement, and not involving the sending of warning notices to other employers. There would then need to be no correspondence; the applicant's statement of where he had worked would be sufficient. The agreement might involve no malice toward any workman, but might advance the several employers' own interests in avoiding objectionable men. Their combining here would apparently be balanced by the combining of unionists to keep workmen away from non-union employers, and to warn unionists to taboo men who had ratted—the latter warning being a permitted form of blacklisting. In Pennsylvania it was held to be lawful for members of an employers' association, in pursuance of a by-law, as in the lawful trade boycott described above, to notify one another of men who had struck. This ruling, it seems, must stand, if there is to be a continuance of the liberty of employees to combine, and to warn related unions of scabs and unfair employers. In the recent upholding in Minnesota of imprisonment for blacklisting, the offender warned outsiders. (U. S. Labor Report of 1901, p. 939. *Bulletin* No. 41.)

cause were his striking or his unionism,¹—could only increase, it would seem, the present practice with railroads of adding new men in the lower positions only, promoting from them, until men leaving a company could have but little chance of finding railway employment again; and until increase of care in hiring, over the general industrial field, diminished greatly the unionist's invaluable freedom of leaving and readily finding positions. Much ado over covering one's previous record indicates a lack of net desirableness, and lessens his chances. To sell labor, as to sell anything else, one must make it and its accompaniments such as the buyer will choose. His right to refuse to hire or to buy, for any reason, good or bad—like the employee's right to leave or not accept a position—is not only guaranteed by the Constitution, but back of it by the fundamental industrial liberties that uphold civilization.²

The Blacklisting Trouble Has Already Been Remedied, fortunately, and by the one method of solving the whole labor problem—namely, by bargaining between employers and employees that have reached an equality in bargaining intelligence, and in freedom to contract or not.³ This equality is necessary in any kind of buying and selling, to save the weaker of the two parties from risk of being taken advantage of by the stronger. Several of the brotherhoods of railway employees, by demanding all the pay that market conditions will admit for their respective grades of labor, but rendering for that pay better value in service than can be obtained from men outside their ranks,—have proved to the companies that only by dealing with them, in mutual reasonableness as in any bargaining, can best results be attained. Doubtless agreement was hastened, and may now be promoted, by the fact that the railway strikes of 1887-94 had led at last to public loss and disorder so serious that a continuance would soon have necessitated enactment by Congress of laws taking away the freedom of hiring and of striking in the railroad busi-

¹*Labor Bulletin* No. 37. A legislative representative at Washington of five brotherhoods of railway employees suggests that no correspondence at all be permitted between railway officials as to an employee's record.

²See Chapter XIX, on Labor Laws.

³See Chapter XXVII.

ness. Since 1894 there have been no railroad strikes of importance. Those of that year were not engaged in by the leading brotherhoods. For these the victories and defeats of their earlier period of strikes were necessary to train both themselves and the companies to the mutual reasonableness required. Blacklisting of departed strikers and discharge of ardent union men, to break the power of unionism, which were a part of that costly experience, disappear when by showing its merits, not by unreasoning coercion, unionism wins at last willing recognition from employers. As it becomes settled, proving its rightfulness and the necessity for its existence, efforts to break it up are abandoned. Over most of the industrial field a man who works for his employer at least as faithfully as he works for his union, earning in full the pay he gets, and not making any more discord than reasonable unionism requires, can now strike just as loyally as any one, and not be troubled about blacklisting or about weeding out of unionists.¹

A Lockout is the name applied to the act of an employer in which, by closing his works and thus taking away from his employees the income on which they live, he attempts to

Labor Leaders on Blacklisting. "Labor leaders feel, it would seem, that existing legislation has reduced the evil of blacklisting to a minimum, and if enforced will do as much good as can be hoped for from legislation in this direction." Mr. Wilson, chief of the trackmen's brotherhood, said to the Industrial Commission: "I do not think that very many railroad managers would condescend to blacklist an employee without he had shown himself to be reckless, unreliable, or unworthy of trust." Mr. Ronemus, chief of the carmen's brotherhood, said: "I believe the causes for blacklisting will gradually disappear altogether, brought about by the general organization of the employees, as the unreliable will not generally be admitted to the organizations; and by the general recognition of organizations the cause for discontent from this source will become less with time. . . . I would not recommend further legislation." Prof. S. M. Lindsay says: "The real remedy for real grievances with respect to blacklisting will only come through the gradual working out of a system of discipline by the railroad companies by which a better record of an employee's services is kept, and through which better relations between employer and employed are maintained." The rapid spread of systems for recording merits and demerits, and of these better relations between employer and employee, are described by Prof. Lindsay in *Labor Bulletin* No. 37, Nov. 1901.

remove a trouble that is brewing among them, or to head off a demand from them which may lead to a strike, or to force them to accept some change in wages or hours he proposes to make, but which to them is objectionable. When occasioned by their refusal to accept his terms, or by his refusal to accede to their demands, a lockout is virtually a strike by the employer. The noted case of the steel workers at Homestead, Pa., in 1892, is thought of as a strike by the men against a reduction of wages; but since only 325 skilled men were affected in wages and struck, while 3,800 were dismissed, nine-tenths of the affair, it has been said, was a lockout. In many cases, where there is a strike in one department of a shop, suspension of that department's share in the shop's series of processes necessitates the closing of all the other departments. This was said to be the reason why, in a strike in 1901 by a few iron workers of the National Cash Register Company of Dayton, Ohio, over 2,000 persons were thrown out of work

Whether a Case is a Lockout or a Strike is often difficult to determine. Because the tendency is to think of the party that started the trouble as the side to blame, workmen are disposed to call the rupture a lockout, and employers to call it a strike. There is some reason for calling it either, as one chooses, when in one department the men strike and other departments are then closed which might profitably be continued in operation. Yet for persons not involved it seems sufficient, without going back to find who was in fault at first, to call it a strike when the men walk out, and a lockout when the employer prevents them from getting in. In the publications of the British labor department the appearance of favoring one side or the other is avoided by calling all cases labor disputes. The general public in America, not familiar with the subject, generally call them all strikes.¹

A Sympathetic Strike is one in which wage earners that have no grievance of their own leave their work in order to help thus the contention of other persons who have struck, or have been locked out. Where in a strike by men of one de-

¹See statistics of strikes and lockouts at the beginning of Chapter XXVII. Unionists, even when they call an affair a strike, often mention it as having been brought on by the employer's injustice.

partment an employer at once gets others in their places, or easily buys outside the material they prepare, their strike does not damage the employer sufficiently to induce him to yield; but it may be turned from quick failure into success if supported by a sympathetic strike of all the other employees, many of whose places cannot be filled, and who thus stop completely the business and profits. In the great strike of 1889 on the London docks the skilled and well paid stevedores, or vessel loaders, without whom work could not proceed, went out on sympathetic strike, and thus aided powerfully in the success of a strike of miserably paid dock laborers, whose places could have been filled at once from a crowd of hungry men clamoring for work. Many other groups of workmen also, besides the stevedores, went out then on sympathetic strike. It was in the United States that sympathetic strikes appeared first. They were very numerous here between 1885 and 1895. In New Orleans in 1892 nearly all lines of business were suspended by a sympathetic strike for the sake of 600 draymen.

A Sympathetic Lockout is one in which an employer discharges men whom he needs, and with whom he has no trouble, in order to force men to yield in a dispute in another department of his factory, or in the factory of some other employer. In each case, by thus stopping contributions from the men locked out, he brings pressure on the others by hastening their coming to want, and also the moral pressure of knowing that their refusal to yield brings those locked out to want also. In England sympathetic lockouts are on record as far back as 1786. They were very common between 1850 and 1870, often designed to break up the union, and were resorted to on a large scale in the machinists' strike of 1897. In America they seldom occurred before 1886. In a knitting mill strike in 1888 at Amsterdam, N. Y., fifty-eight firms locked out their employees. A strike by the New York furniture workers' union in 1890 was met by the employers' association with a lockout of all their union men. Leadville mines were closed for four months in 1896 to stop a demand from the workmen.¹

The Natural Safeguard Against the Sympathetic Lockout, which at first thought seems to be a formidable means of op-

¹F. S. Hall, "Sympathetic Strikes and Sympathetic Lockouts," page 48.

pression, is that generally it will cause more loss to the employer than will the trouble he uses it to remove. When the latter is a strike in one department of his works, he will lose less by being conciliatory toward the strikers than by closing altogether in a lockout, which also, when known to be an attempt to starve people into submission, alienates public opinion. There have been English cases in which women and children in cotton mills were locked out to shut off support from their wages to men on strike. Where a number of employers unite in a sympathetic lockout, to shut off contributions to strikers in some of their shops, to blacklist one another's men for the time, and thus to crush the union, each of the employers is strongly induced to break away from the movement by the facts that they are competitors, the others gaining business by reason of the strike against some; and that in the high prices caused by the suspension each can gain far more by compromising and resuming work than from a crushing of the union. A large employer might clear more by resuming than the bond he had given to the masters' association, to be forfeited in case of his breaking the lockout. Such bonds have been as large as \$25,000.¹ In 1853, among cotton factory owners at Preston, England, who had agreed to contribute money to each one struck against, some were believed to have secretly helped to prolong strikes, in order to get advantage of the high prices. The full year's lockout in 1900 by the master builders of Chicago was adhered to until the end, few masters breaking away, and few compromises being made with the men, because the masters considered the federation of building trades too tyrannical to be tolerated, and felt that getting rid of it would be worth more than taking advantage of high prices for building.² This case was exceptional. The union of British machinists also, in the opinion of the employers, had become too unreasonable to get along with, and despite the large trade and high profits in reach in 1897, they continued their united lockout for six months, rejecting all the union's demands, and freeing themselves from what they deemed absurd restric-

¹Hall, 72.

²See articles in the *Political Science Quarterly*, 1901, and the Industrial Commission's volume on the Chicago strikes.

tions.¹ But as a rule employers, especially in unionized trades, are not now disposed to try to crush a union, for usually they consider it reasonable, or at least a necessary evil; and few cases of the sympathetic lockout arise.

Against the Sympathetic Strike the Natural Safeguards are strong, and will effectively prevent the tyranny of which it seems capable. It not only takes away the wages of men who contribute to the support of those striking at first on a grievance, but it throws the support of sympathetic strikers and all on union funds. Inflow of money decreases while need for it increases. The candle is burnt at both ends, and strikers quickly come to want. And not only is it true that the wider the area of the strike the quicker the exhaustion of the funds, but also that the larger the damage to the people the greater the public hostility to the strikers.

¹See the latter part of next chapter; also articles in *Engineering Magazine*, Jan. 1901.

When is a Lockout Just? When in an employer's honest judgment the higher wages demanded would take away his just profit and injure his business, however competently he might perform his part, it is not only his right, but also his duty, toward himself, his employees, and the public whom he supplies with goods, to close his shop rather than concede the demand. But by reason of the dependence of working people upon their wages, and of the large employer's power over them, to try by a lockout to starve them into submission is a grievous offense against good morals, and an abuse of the trust committed to the employer by society, if he thus attempts to withhold from them any portion of their just dues. What amount is just in the circumstances a fair-minded employer can usually determine. A sympathetic lockout, being an exercise of the employer's unequal power by means of combination, would be a worse offense against morals, and could only be justified by clear evidence that the union was unreasonable, and that forcing it from its position was required for its own and the public good. It is the monopolistic control of all the employment, with the ease of applying the sympathetic lockout and the blacklist, that gives a trust its dangerous power over workers, there being no important employer to break away and grant the union's demands.

Sympathetic Strikes Seem Allowable in cases where in one department of a shop a just strike not likely to succeed unaided is supported by strikes in other departments. This class of sympathetic strikes is most numerous. They seem allowable also in cases where the men of one shop refuse to do work sent from another shop whose men are on a just strike, and whose owner might win against them if his contracts were carried out for him by others. Taking unfair advantage of an employer with contracts

To What Extent Can Trades Combine in a Strike? The hope of some, and the fear of others, that a union of all classes of workers, formed as one compact body, could effectually attain extravagant aims, were prominent, both in England and America, in the excited labor movement of 1830-35. That movement amounted to little, having no funds, and no systematic organization. A similar semi-socialistic wave of combination among all classes of workmen reached its crest in the United States in 1886, in the phenomenal rise of the Knights of Labor. The futility of attempting to unite trades of diverse interests into one union, or even of expecting radical action from separate unions by means of federation, has been shown by some disastrous failures of sympathetic strikes. In the spring of 1886 the Knights of Labor, that order then having a half million members, and having in 1885 won easily in a dispute with the Missouri Pacific railroad, started a strike over

to be filled quickly is guarded against by contract clauses excepting strike delays, and by his workmen's knowledge that concessions thus extorted cannot long be held in new contracts he undertakes. Sympathetic striking against use of material produced by scabs taking the places of men striking on a grievance, is frequent in the building trades, and seems allowable if the original strike is just and needs such aid; though it is overdone, and is unjust, in case of refusal to use material made not by scabs, but by men in shops not unionized, and hence not using the union label. Carrying sympathetic strikes into disconnected trades, to force the pressure of public opinion in favor of the original strikers, harms the public too much to be allowable, and brings an aid too uncertain. Sympathetic strikes, though very common, and perhaps not usually resisted by law more than other strikes, have generally been held by courts to be unlawful conspiracy, like boycotts, of which they are a form, since they are engaged in, not to benefit the sympathetic strikers themselves, but to harm the original strikers' employer. This was the ruling in 1894 in the boycotting by railroad men of cars of the Pullman Company, with which the boycotters had no contract relations. Benefiting the original strikers in that way is a form of altruism that the accompanying harm to the employer vitiates before the law. Employees may coerce themselves by union rules, and employers or non-unionists struck against, but may not coerce third persons; still less can third persons combine to coerce a man not employing them. But as the original strikers stand ready to return the favor, and as united action by all trades furthers unionism, sympathetic strikes not too injurious to the public will doubtless be freely permitted as heretofore, the law expanding to include them. In Great Britain they are expressly recognized by statute. (F. J. Stimson, "Labor in its Relation to Law," 98.)

the trivial matter of reinstating a discharged foreman in a Texas and Pacific shop, and to boycott this company's cars called out railroad men in sympathy until the number of strikers reached 12,000, suspending freight business on 4,500 miles of road. The result was that not a single concession was made by the railroads, and four-fifths of the strikers failed to regain their positions. The American Railway Union lost its head similarly in 1894 in its success with a strike on the Great Northern, and perished a few months later in its attempt to force the Pullman Company by means of a sympathetic strike on many railroads against hauling Pullman cars. In both these cases of failure the favor of the public was alienated. In the second case, aside from the merits of the Pullman strike, the violence and public inconvenience were more than the people could bear. The maritime strike in Australia in 1890 failed completely, partly from public disfavor, but mainly from exhaustion of funds by calling out too many trades. It was not foreseen that workmen need their wages more than employers and the public need their work. The sympathetic strikes of 1889 in London were a great success. But the cause was obviously just—the succor of helpless dockers, scarcely kept alive with irregular work at pitiable wages; and the absence of violence was remarkable, not one case in court arising from the strikes. Never has there been another case in which strikers received such generous support from the public of all classes, nor in which the cause of unionism was so much advanced.

Sympathetic Strikes No Longer in Favor With Labor Leaders. In Australia there were no important sympathetic strikes after that of 1890. There have been few in England since that of 1889. The great strike of British coal miners in 1893 was partly sympathetic, like that of coal miners in many American states in 1894—the object being to show in labor's mute appeal its belief in the justice of the claim of the original strikers; also to put on the first employer the moral pressure of being the cause of the whole trouble, and to prevent his orders from being filled at other mines. The latter effect sometimes provokes public disfavor by causing a coal famine. It was to avoid this disfavor, to avoid breaking the union's agree-

ments, and to leave many men at work to furnish contributions, that in 1902 it was promptly decided in national convention not to call out the bituminous coal miners in sympathy with the strike of anthracite miners. The American Federation of Labor planned in 1888 to bring out all or many trades in 1890 for an eight-hour day, but later it was decided to make the demand at first in the building trades alone. They were successful in most cities without a strike. The Federation advised against a further extension of the railway strikes of 1894. The Knights of Labor then refused to obey their leader's command or request to come out, having learned wisdom from bitter experience. In the steel strike of 1901 there was some hope that other trades would be called out, especially railway workers, but their union leaders declined to advise such action. The great brotherhoods of railway men have long been decidedly opposed to sympathetic strikes, and have repeatedly refused to engage in them. They realize that frequent stoppage of railway traffic, in its effect to close factories for want of materials, and to threaten with personal want large populations depending upon railroads for inflow of supplies,—would soon damage the cause of unionism immeasurably, and put railway employees under time contracts regulated by law.

Readiness to Strike Shows Inexperience. Mr. Fred S. Hall, from whose scientific study of sympathetic strikes most of the information here given is taken, points out that the great sympathetic strikes have been movements by young and semi-socialistic unions. The American Railway Union in 1894 had been prominent but a few months, and attempted to unite in one order all classes of railway men. The Knights of Labor, composed of trades of all kinds, and having hopes reaching to virtual socialism, had as its chief purpose, in calling out the New York longshoremens in 1887, the intention to prove that it was foolish to resist its demands.¹ But its strike failed abso-

¹Hall, 80. Such was the report of a legislative committee. U. S. Labor Commissioner C. D. Wright (*N. A. Review*, Jan. 1902) says that, apart from the well managed railway brotherhoods, unionists have seemed to learn only lately the fact that while the strikers can endure a short stoppage better than the employer, with his contracts to fill, the losses of suspension are lighter on him than on the strikers after his contracts have been adjusted. This truth is checking the readiness to strike.

lutely, with a loss of \$3,000,000 in wages to the men idle, and of \$43,000,000 to others; and was followed the next year by another absolute failure in a strike on the Lehigh Valley and the Reading railways. It had existed but six years as a non-secret society when it began in 1886 its self-ruining series of large sympathetic strikes, a trade union policy that the Knights introduced.

The Exceptional Power of Unions in the Building Trades is due to their possession of a kind of monopoly. Buildings, except in partially finished materials, cannot be manufactured outside of a city and shipped in. The local men in the building trades, acting together in unions, and keeping away outsiders with the odium of non-unionism—sometimes unfortunately with personal violence—hold the building work of the city securely for themselves; and in some cases, not a few persons think, they “hold up” people whom they compel to comply with their demands.¹ In a growing city like Chicago they can exact very high wages, and where there is pressure for quick construction, as with the Pan-American Exposition buildings at Buffalo, in 1901, they can practically set their own terms. For these reasons, and also because the erection of a large building cannot proceed unless the men of the different trades employed upon it work together or in prompt succession, sympathetic strikes among them are usually successful. Any one trade engaged upon a building, when aided in its demands with a sympathetic strike by the other trades, can enforce those demands effectually. If one non-unionist is hired all the trades at once go out.

The Exclusive Agreement strengthens this monopoly. It is made with a clause in the contracts between each union and the employers of its trade, by which the men agree to work for none who are not members of the employers’ association, and the employers agree to hire none who are not members of the union. Outside employers and non-unionists are thus shut out.

¹A unionist in New York said: “One man let us strike for a month, but it cost him \$2,000 to get the men back. We fined him full wages for the idle time—and now no more strikes for him.” (*World’s Work*, Sept. 1902, p. 2567.) See Aug. 1903 issue for extortion in waiting time, and for table showing New York wages to be 50c to \$2 a day above those of other cities. Unionism prevents cutting under, whatever the difference.

and the public are compelled to accept the terms set by master builders in the association or give up building. It is usually stipulated that use by the men of their favorite weapon, the sympathetic strike, is not to be considered a breaking of the agreement. From these kinds of monopoly came the tyranny and bitterness partially atoned for in the tremendous losses and suffering of the Chicago building strikes of 1900.¹ The cause of unionism has been injured by such abuse of power, it is not to be doubted, and to a very serious extent. A large proportion of the public, including many of the best and fairest-minded people, think of unionism as it appears in these cases of tyranny, and in the violence and destruction accompanying some strikes. By these things they judge it, knowing little or nothing of its character as a great and noble movement for uplifting the mass of humanity. For such reasons many good people are slow to recognize its worth. They feel that in unionism the bad outweighs the good. It is not likely also that in a whole year's results any trade gains from enforcing demands beyond what a fair and competent third party would deem just. Further exactions cause people to delay or give up building, and diminish thus the amount of employment in the trade, besides injuring the city's business, lessening seriously the employment of wage workers in other occupations, damaging the character of the men at fault, and turning public opinion against unionism as a whole. London bricklayers, as pointed out by John Burns, have lately found that by limiting their work to 500 brick in 9 hours, against 1,000 in 8 hours in New York (this difference is claimed) they have checked building and are using up the union's out-of-work funds.²

Mob Rule in Strikes. A bitter stage in a wage contro-

¹These are described in two articles by E. L. Bogart in the *Political Science Quarterly* of 1901, and in one entire volume of the United States Industrial Commission's reports, 1901. The tyranny of the exclusive agreement, and its possible future consequences, are discussed by J. B. Clark in *Atlantic Monthly* for January, 1902. In England this agreement is known as Mr. Smith's Birmingham plan, which was in force for some years in a monopoly of iron bedstead makers. See Chapter VII. of the author's book "The Trusts and the Tariff."

²*P. S. Quarterly*, Sept. 1902.

versy, when the employer, in extreme cases, to protect his property and his non-union workmen, builds a high fence and hires armed defenders, is sometimes reached when reason is given up and force resorted to. There may then be a measure of lawlessness on the employer's side also—or at least a too ready taking upon himself of defense which it is the business of the regular officers of the law to supply.¹ But he has a right

¹Neglect of Duty by Local Officials. Sometimes the mayor and the police officials, siding with the strikers for political or other reasons, make little attempt to suppress violence. Such seemed to be the case with Governor Altgeld of Illinois in the railway strikes of 1894, when President Cleveland took charge of the trouble, and stationed United States troops at Chicago. In the Chicago building trades dispute of 1900 there was at times little systematic attempt by the city authorities to hold the action of strikers within the law. The Steel Corporation's removal of a great plant from McKeesport, Pa., in the steel strike of 1901, was said to be a result of the union partisanship of the mayor and other officials. Such a removal would be for the city a deserved retribution if to the employer it was necessary to avoid injustice, but would be a bad use of power if threatened to secure from this city, or carried out to secure from another city, undue favors. The heavy losses of removal would generally prevent it unless there were just reason. In 1903 officers arrested, and business men drove away, local union strikers implicated in blowing up a Colorado mine building.

Hiring of Armed Defenders from another state has been prohibited by law in a number of states since the great strike of steel workers in 1892 at Homestead, Pa. The anthracite mine owners hired in 1902 about 2,000 armed guards (an average of four or five for each mine) called the coal and iron police, but the proceeding was made legal through the governor's appointment of the guards as public officials. The Homestead strikers, commanded by the leaders of their executive committee, took possession of the steel works and of the town, like an army of occupation, located their forces at points of military advantage, using a cannon, and captured from a stranded scow in the river a band of 300 guards hired by the steel company from the Pinkerton detective agency at Chicago, killing seven of the guards and wounding twenty. The strikers found they had gone too far in violently usurping the functions of government, and at once ceased their violence when the state troops arrived. The offer of the strike committee to protect the property was declined by the sheriff, since acceptance would have been surrender to them. The company probably had little confidence in the strikers, besides its intention to introduce a force of non-unionists. In a strike of street railway men at Richmond, Va., in 1902, quickly settled by arbitration, a guard of strikers protected the property. Good brief accounts of the Homestead strike are given by Levasseur, by Spahr, and in the national labor department's sixteenth annual report. Some usurpation of government functions seemed to have existed also in the anthracite strike of 1902, as

to armed watchmen, and to lead him to form a private army of mercenaries (also his lawful right when they are sworn in as deputies) the violent spirit among the strikers must be rampant and the adequacy or reliability of the official protection at least questionable. So it must be in the many cases, in many states, in which the militia is called out, after the sheriff and his deputies have proved unable to protect the employer's property and his non-union workmen. Unless the authorities are mistaken in their judgment of bad temper shown, and arouse it by preparing to restrain it,¹ the lawless spirit among the

shown in the testimony as to refusal of union officials to give a builder permission to construct apparatus for saving a mine from flooding.

The Worst Case of Strike Violence on Record perhaps, was that at the Cœur d'Alene mines in Idaho. On the night of July 12, 1892, an injunction having been issued that day to restrain the strikers, the non-union miners, escaping across the mountains through snow, were attacked by strikers, and 70 of the non-unionists, except perhaps a few that escaped, were shot down or drowned. Twelve hours later the federal troops arrived. (*P. S. Quarterly*, 1895, page 189, and *Stimson's Handbook*.) There the strikers, like an army, took forcible possession of the mine, and marched the non-unionists out of town as prisoners, not allowing them a sufficient supply of food. In a strike at the same mine in 1899 a concentrating mill was burned and two men were killed. Another case on a large scale was the murdering by strikers in 1885, at Rock Springs, Idaho, of 28 Chinamen who remained at work. None of the strikers were punished, but Congress paid \$147,000 for property of the Chinese that was destroyed. (R. M. Smith, "Immigration and Emigration," page 257.) In June, 1902, striking coal miners in West Virginia attacked 25 non-unionists at work and killed 5 with dynamite. (*The Independent*, June 26.) As to the Cœur d'Alene riot of 1892, the testimony taken in 1899 by the Industrial Commission (Vol. XII.) may not agree with the above account in number killed; but the testimony showed that for 7 years murder or driving out came so often that men feared to mention the union, until the state, finding that it was a criminal body, suppressed it in 1899 with an iron hand. "The Idaho bull pen," of unionist literature, was a temporary prison in which about 400 men were confined. Most of them were soon released as innocent.

How Soon Should Troops be Called Out? An allowable reason for the opposition to the presence of troops is that it shows want of confidence in the strikers, who try to cover up the violence committed in their behalf, and claim that troops are not needed. Hence, to avoid provoking an ugly temper by uncalled for mistrust, as well as to avoid expense to the state, governors delay calling out troops as long as prudence will permit. Unionists have been in the habit of contending that the employer has no right to special protection from policemen or troops until such time as vio-

strikers comes first, leading to the presence of troops or armed deputies, and to their killing now and then of strikers who refuse to halt and disperse when commanded to do so by lawful

force is actually used, and generally the sheriff does not ask for troops until cases of violence become too numerous or formidable for the small force at his command. But the favoring attitude of the leaders toward use of violence is a test of need for protection. The authorities must aim, not so much at *dealing* with violence as at *preventing* it. The employer's hiring of the coal and iron police was condemned by the Strike Commission, though they admitted that it is "a necessity as things are." It irritates the strikers, because these armed guards are servants of the employers, not of the state, which seems here to have abdicated its function of protecting life and property for all at whatever cost. The practice must have arisen from wrong on the employer's side, in desiring to handle men with more arbitrariness than local officials could be expected to protect, and from wrong on the latter's side also, in desiring to avoid expense and the responsibility of suppressing lawlessness among voters.

The Unionist Dislike of the Militia. It is impossible to believe that the dislike of many unionists for the militia, with their bitter opposition everywhere to presence of troops and to escorting of non-unionists to and from work,—rest on any reason less solid than a desire to get all the benefits of intimidation and violence in keeping non-unionists away. In 1902 resolutions against belonging to the militia were passed by a number of labor bodies in Illinois and Indiana, the Illinois federation doing so unanimously with cheers; and at some places there was said to be an effort to force withdrawals from the militia by boycott. A militia officer at Elkhart resigned under pressure. A painter at Schenectady, N. Y., was expelled by his union, and forced from his employment, for having kept his oath by serving with the troops in an electric railway strike. The awakening of the public throughout the country to the gravity of this desire to paralyze the arm by which the state protects itself, led within a few weeks to the Schenectady painter's reinstatement. The union's condition forbade service as militiaman or deputy. In 1903 forcing of men from the militia appeared in Pennsylvania, in many Indiana towns, and on a large scale at Austin, Tex.

A Bill Just Enacted in New York State, to prohibit such anarchistic action, was opposed by unionists as an insult to organized labor, and as an attempt to legislate for non-unionists and capitalists. How these are benefited by presence of troops, except in prevention of violence on the part of strikers, it is impossible to see; and why the objection to troops if the violence is not wanted by the strikers and is committed by outsiders? In a number of cases in the past, especially in the Pittsburgh railway riots of 1877, and also in recent strikes in Connecticut and in New Orleans, the local militia, from sympathy or fear of boycott, fraternized with the strikers. The hatred of unionists was worst for Pinkerton men, who made a business of serving as guards in strikes; the employers' few hired guards seem to

authority, as about twenty were killed at Lattimer, Pa., in 1897. Whatever the grievances of the strikers may be, however grasping and harsh the employer, when by their threat-

come next, then state militia from a distance, and lastly local militia and police, over whom the strikers' influence is greatest. From the effect of the Schenectady incident, and of the outcry elsewhere against belonging to the militia, unionists have probably realized that a virile state like America will not hesitate to protect itself from foes within as well as from foes without. An evidence that our civilization is not to be set back was the recent capture in West Virginia, by a sheriff's and federal marshal's posse, of 73, and killing of 8, out of 150 armed coal miners, by whom the command to surrender was answered with shots, and whose spirit was shown in the reply "To hell with the government." The grand jury indicted over 250; but as usual the affair was denounced in union circles as cold-blooded murder, and steps were taken (futile of course, as before) to prosecute the officers.

Rioters Regarded as Heroes and Martyrs. Even with the wholesale and reckless killing at Homestead and Cœur d'Alene, the strikers involved were afterward applauded as heroes in the cause by prominent labor speakers, while hotly denouncing, even in these extreme cases, the use of troops. Aside from the small offense of showing lack of confidence in the strikers, it does not appear how the presence of the troops could affect their chances of success except in emboldening non-unionists by lessening the danger of injury. To ask for troops would seem to be the correct policy for strikers if confident of their innocence of evil purpose, as the strong position for an innocent person accused is to court the fullest investigation. Magnifying as heinous the final firing of bullets by troops, after due warning and after long bearing with insults and stone throwing; regarding the killed rioters as martyrs; and claiming in bitter hatred that the troops and guards purposely stir up trouble in order to discredit the strikers—prove opposition instead of coöperation in preserving the peace. While the rioter's zeal in the cause would naturally lead unionists to judge him leniently, they would just as naturally, if they were really opposed to violence and not desirous of gaining by it, condemn the acts if not the perpetrators, and instead of hating and obstructing the forces of order would unite with them in the task of prevention.

"No Peaceable or Law-Abiding Citizen has reason to fear or resent the presence of armed guards or militia." (Coal Strike Commission.) Workers in militia companies called out in strikes are not serving for the employer, nor against their own class, unless the latter first break the law. The Waterbury union added to the reward for arrest of the masked murderers of the policeman guarding a street car, but did not prevent the murder by refusing from the first to accept the aid of violence. As was well said of the railway strikes of 1894 (Wright, "Industrial Evolution"), all this violence is worth its fearful cost if it teaches the public to discern its rights, and to use the adequate law it has for their maintenance. A

ening attitude military force to restrain them becomes necessary or prudent, they are the immediate cause of the trouble—of the killing of men, destruction of property, straining of liberty and law, and ugliness of spirit not soon to be healed. To remedy grievances there is no lack of methods that are lawful. Whatever their anger, or its provocation, and whatever their notions as to the sacredness of their cause, men cannot be permitted to take the law in their own hands. And besides, these attempts to do so fail nearly always to secure a net balance of desired results.

Not to be Excused Because the Employer is to Blame. Hence, for these reasons—that lawful remedies are at hand, there being none of the necessity that justifies armed revolt, and that violence directly injures the cause of the strikers themselves as well as society—mob rule in strikes can be but slightly excused by the facts that morally the employer is sometimes the most to blame of all, and that he has broken laws himself. In the history of labor troubles his record is dark enough. He unjustifiably exasperates the strikers, and is thus partly to blame for their lawlessness, when he arrogantly refuses to negotiate with their chosen representatives, as the anthracite coal companies have refused repeatedly, and especially when he brings from a distance a body of Negroes or foreigners to serve as strike breakers, as has been done by coal companies in Illinois.¹ The lawfulness of such action by

community deserves its suffering when for fear of losing union trade it permits a strike body composing but a small fraction of its population to terrorize it for months.

¹**To Thwart Unionism and Lower Wages**, the anthracite coal companies long ago brought from Europe, and have since continued to retain, many thousands of cheap workers not needed, making employment last for only about two-thirds of the year. Besides, these companies have maintained a close monopoly by violating the anti-trust and the railroad laws, and doubtless also have violated laws against company stores and child labor. It was for these reasons that the violence of the strikers in 1902 did not result in more injury to their cause. The anthracite companies did not defy public sentiment by collecting rent or by wholesale eviction of delinquents, as was done the same year in West Virginia. The bitterness in unionism is mainly due to abandonment by employers of the old time consideration for employees, and to abuse of power over them. This abandonment was facilitated (1) by corporate organization, in which managers are only

him does not make it right in morals or even expedient in business. Despite their striking, the dependence of the employees, and the seriousness to them of loss of employment, would require in morals some notice to them if the employer really desired the Negroes to displace them permanently, because of the Negroes' being preferable workers, and of their having then as good a right to lower the citizenship of his community as of that from which they come. But when the Negroes are wanted only temporarily to break the strike, there is pretty sure to be unfairness toward both them and the strikers, and for the future a further embittering of the latter as well as a reduction of their efficiency. As peasants have a moral and economic right to possession of their ancestral land, so the body of people settled in a community have such a right to a living from employment in its industries, unless persons to be brought from elsewhere are clearly more suitable. The striking of the employees does not give the employer a moral right to exclude them from the community unless the striking proves them to be unfit, unworthy, or incorrigible. His discharge of them would be such exclusion so far as they failed to find work at home and did not fall on charity. His moral right to discharge is greatly lessened when he gains power over his men by selling them homes they cannot leave without loss, or by renting them houses from which they can be evicted.

agents of owners far away; (2) by employment of great numbers and of foreigners, preventing personal acquaintance with managers; and (3) by the isolation of mines and local absence of a restraining public opinion. Under these conditions many employers have trampled on morals, and on far-sighted business expediency, keeping men in subjection by ruthlessly using the power to evict from company houses, and to discharge persons they had encouraged to buy homes. In England before 1860, and in America after 1865, there were frequent discharge of grievance committees, blacklisting of strike leaders, and requiring of employees to sign agreements not to join unions. A brief record of these facts is given in the labor department's report of 1901 on strikes. It was from employers' blacklisting that employees learned boycotting, and that "victim pay" arose as a union benefit in England. Returning to the question of the militia,

The Real Reason for Opposition to Presence of Troops, it seems, was brought out from Mr. Thorne, a union leader, by the British labor commission of 1894. He testified: "I did not try to prevent violence being used in any shape or form. . . . When the police are used I think the work-

The Legal Right to be Selfish. Nevertheless, an employer or other person must ordinarily be allowed to be as mean and grasping as he pleases, so long as he breaks no law. From a

ers are justified in doing their best for themselves. . . . We were calm and submissive, and allowed the men to walk into the places, and the police knocked us about in all directions. If the police are to be used, by marching men into a factory, I do not see that the workers have any possible chance of winning a strike. . . . I would have advised the men to run the risk of imprisonment in preference to starvation. . . . I would on that occasion have advised them deliberately to break the law." Similar excuses for violence were given by other witnesses. (Geoffrey Drage, "The Labor Problem," page 329.) These opinions were those of new unions of unskilled men, whose places are easily filled. With the older British unions of skilled workers "the leaders deprecate violence on all occasions, and strikes have been peaceably conducted." In America also, violence occurs oftenest with strikers whose places are filled most easily.

The Futility of Violence. Under Mr. Thorne's policy of picketing, no union would be necessary beyond the ranks of the strikers themselves. The union principle requires agreement by so nearly all of a trade that strikers' places cannot be filled satisfactorily. Without such agreement, however just their grievances, strikers can have no remedy, other than social disapproval, against the right of others to accept the employer's offer that they refuse. One body of men can have no just way of raising themselves above others equally efficient who do not consent. Moreover, the possibilities of gain are generally so small as to make the violence useless. However hungry the poor may be, to help themselves by force would not only be wrong, but would also be futile, since very soon there would be nothing on hand to take. Similarly, however low the pay, one body of workers cannot hope to gain long by forcing on their employer conditions placing him at a disadvantage with competitors. There must be a union, and a trade must rise together. Showing disfavor below the line of force, and especially a separation of themselves by increase of their efficiency (this increase the employer will see without violence), are the only just and the only effective means by which men of an unskilled trade can unionize. The bitter, desperate spirit is uncalled for, and results in injury to those who resort to it. Few who use the proper remedies at hand, and strive to deserve, will fail in this country to get a fair living. And whether they do or not, violence will not help the matter.

Archbishop Ireland, *Discussing Strikes*, in the *North American Review* of October, 1901, asks if pickets do not start the violence, and if unions should not earnestly protest against it, and vigorously prevent it. He says all the state's power should protect the employer, or just one who wants to work, or to stop work; that war by unionists on scabs is anarchy, promoted by the state's failure to protect; that it is sophistry to say a striker has a proprietary right to a job he has left (but see page 198); that for unionists to rely on law and public opinion is to succeed, but that to

merchant of that kind, people protect themselves, and teach him a lesson also, by having nothing to do with him. The same remedy is all that may lawfully be resorted to with an employer. It is his legal right to be mean. The workman's right is to get away from him, not to force him to be better by resort to violence. If the unionists are better worth high wages than the scabs are worth low wages, he or some other employer will find it out, and the unionists will not fail to get a living if they use the means in reach. If the scabs are really to be preferred, it is to them that the work belongs. Their doing of the work successfully may first be necessary to enable them to demand more pay.¹

ignore them is to fail; that by the public the union's good purpose is forgotten in its bad method; that to condemn union abuses on liberty is to serve the union cause; that above allegiance to the union should rise conscience and patriotism. These are sound views, from a high authority. Of course, no notion of proprietorship in a job, or in a customer's patronage, can exist under the buyer's right to decide alone. Nothing but holding by deserving admits of justice or of progress under a system of exchange. To have a claim on a position there must be no pretense of selling labor at its market value, but such service as that of slaves or of sons, receiving not fixed wages but support. And the benefits of anarchy, beyond the takings of the moment, can never fall to wage workers, especially those who need help. Disorder now enriches only a few bold speculators or trust magnates, at the loss of all others, as the robber barons flourished in the turbulence of the Dark Ages.

Cutting Down Wages Below a Living Rate might be found contrary to existing law if done by an employer who had induced men to come to a distant mine. His contract might be held to imply a continuance of at least enough wages for support, and to imply assistance to return home if the mine were closed. Hiring sweated workers at less than subsistence wages was discussed in Chapter VI. Control by a trust of an entire industry would take away its workers' freedom to find other employers in the same trade. But this would necessitate no attempts at compulsory arbitration, or at fixing of wages by law. First, men capable of conducting such a trust would hardly defy public opinion by oppressing workers unreasonably, since such men know that labor cost is cheapest from workers well supported. Second, to avoid making workers helpless, they cannot be permitted to feel that they must have work here or there, or in this or that trade. Under exchange, instead of the patriarchal system of Abraham, we live by doing what society wants, and to admit of progress or justice one must always be prepared to have society decide what that is. Third, under the right kind of corporation, tariff, railroad, and tax laws, there would be no such trust that had power to harm.

The Rights of Property and the Rights of Men. To make opportunity for violence it is useless for unionists to oppose maintenance of adequate military forces, or to clamor against the rights of property by contrasting them with the rights of men. No body of people worth considering wants to take away by government action any of the rights of men. Strikers have long been allowed to go beyond their rights, and to indulge in lawlessness. As a rule, only minimum punishment, if any, has been imposed—partly because of the difficulty of securing evidence.¹ But the rights of property will be preserved too, which are the rights of men none the less. There is no need to give up any rights at all. The people's approval of the use of the army in 1894 at Chicago was decisive. The calling out of deputy sheriffs and of state militia is no less a settled policy, to protect employer and non-union men in their right to be mean and selfish. This right cannot be curtailed by law without tyranny tenfold worse than its most heedless exercise. Personal rights of employer and of non-union men will eventually be preserved.² Viewing the future, Mr. Mitchell was right, from the standpoint of the miners as well as from that of the public, when he said in 1902, "If this strike cannot be won by honorable means, I say a thousand times it is better to lose it." If unionism is to stand, it must find a sufficient basis without violence.

¹In 1902 a man at Norfolk, Va., was imprisoned for two years for obstructing street cars; and at Boston the teamsters' state organizer was imprisoned six months for assaulting a man who refused to come out on strike. In 1900 seven Pennsylvania strikers were imprisoned for starting a riot in which a guard was killed—one being pardoned after two years and the others after one year. For the coal strike violence of 1902 two men have been sentenced to imprisonment for twenty years, and others for shorter terms. In the American strikes between 1840 and 1880, for the hasty violence into which common workers naturally break out when exasperated by feelings of oppression, there were many convictions, and a few for conspiracies; but juries often recommended mercy, and sentences seem to have been light. In 1903 the sentence of two New Haven teamsters was 1 year in jail for assault and 2 years in prison for conspiracy.

²**Are Not Wage Concessions Often Gained by Violence?** Yet in practice these personal rights are frequently given up, because to maintain them costs more trouble, danger, and loss than they are worth. This is especially the case in strikes of street car employees, whose smashing of cars and injuring of non-unionists is at times notorious, resulting in the killing of a

Above the Laws of the Country are the Laws of Nature. The people could not do otherwise if they desired. They cannot choose their laws with impunity, nor go far in favoring

number of men. At Albany in 1901 some of the demands were soon granted by the company, apparently because there was too much violence to be overcome profitably, though mounted troops were furnished by the state in large numbers, to escort non-unionists brought in, and to clear a way for the cars they attempted to take out. At Montreal in 1903 the company granted the union's demands after a few days of rioting. At St. Louis in 1900, though fifteen persons were killed, several hundred wounded, and even women passengers were driven through the streets by the mob, the result was that the company recognized the union. Are not strikers here bringing employers to terms by force? Then may not employers be forced likewise in other occupations?

In the Monopolistic Street Railway Business, wages might be raised to a level somewhat higher than that of the same grade of work in occupations subject to outside competition. But if at the rates of fare fixed by charter, the excessive wages, under progressive operation, encroached on reasonable profits, the service would be allowed by the company to run down, and when the public realized the cause it would so protect non-unionists that a strike to maintain the wages could not succeed. Perhaps the car companies that yield to violence are at fault themselves—are trying to get too much work for the pay, or are realizing excessive profits, which they can afford to keep undisturbed by not insisting on their full legal rights. Wages too high in street railway operation have probably not been reached. The opposite has been the complaint. If such wages were extorted, though the company's profit was likewise excessive, a strike to maintain them would scarcely be supported by public opinion. No doubt the apparent lack of restraint over street railway strikers is largely due to the public feeling that the work day is too long and profits too high, as violence in the anthracite coal strike was condoned because of various wrongs committed by the employing monopoly. If in street railway service, a constant public necessity, the companies and the union do not soon succeed in bargaining peaceably, as the steam railway companies now do with the brotherhoods, the trouble will probably be removed by franchise regulations requiring notice of intention to quit work, and binding both sides to arbitration of disputes and to compliance with awards. Clauses to this effect are being inserted in a few new franchises. This plan was recommended in 1894 by Carroll D. Wright for steam railways, on which wage contracts could be regulated by Congress under its power over inter-state commerce. (*P. S. Quarterly*, 1895, page 199.) In Great Britain and New Zealand, men employed in gas or water works cannot quit work without giving notice, under penalty of fine and imprisonment. But fortunately the experience with street railway strikes in 1902 indicates that the companies will follow the example of the railroads, and reasonably recognize the union, stubborn refusal to do which has partly excused much of the strike violence. The just terms to which a company

this class or that, as did King Nebuchadnezzar in Babylon, of whose power it was said, "Whom he would he kept alive, and whom he would he slew." Above the people are the laws of nature, which have not been entrusted to legislatures and courts. Many centuries passed before Babylon became a waste for the antiquarian to dig over; but in the delicate adjustment of present civilization a departure from the established system of nearest attainable justice brings decline of production very quickly. The capital and business from which come our employment as workers, and our supplies as consumers, are difficult to acquire and maintain, as any citizen knows who has had experience. The intense effort of their maintenance and increase is soon relaxed if peaceable possession is endangered. Where complete justice has not yet been accorded to wage workers or any other class, effort to reach it must be taken by the orderly forms of law, to avoid falling further away from it. Now, as never before, are these orderly forms sufficient. The disposition of ruling opinion is to accord to trade unionism all it proves as its deserts, and to do for uplifting the unfortunate all that promises more good than harm. To guard property is to guard people, for whom property exists. The rich who own the most of it are less vitally interested in its guarding than are the wage workers, who depend upon the employment in steady production for their daily bread. To produce effects for the worse, disorder need not be so extensive as to start a return toward barbarism. Any amount of it, from the least, is taxed up somewhere, and falls on the people, especially the workers. The business stagnation of Australia during 1891-96, during which many thousands were kept from suffering by means of relief work furnished by the state, was greatly deepened by some widespread and bitter strikes. Any violence from strikers not put down by law is calculated in with contingent expenses, such as possible losses from fire and storm, and is well covered by raising prices to the public or is avoided by not

and the union can come by negotiation could not be departed from by any power of government, in favor of the workers, without taxing away some of the present value of the property, or taxing the people in higher cost or poorer service.

hiring and not producing. Undoubtedly the Cœur d'Alene settlement in Idaho would be more prosperous if it had been more orderly. Employers must thus provide for losses in order to get enough net profit to pay for the trouble and risk of business. In different ways mob violence falls on the community as a heavy tax, whether or not damages are recovered from the county, as was done to the amount of three millions of dollars after the Pittsburgh railway riots of 1877.¹

But Strikers are Excusable in Believing That Something is Wrong, especially in Great Britain, perhaps where they see half the people held to a living of practically bare necessities, and a third of the aged reduced to poor relief, while the few in the propertied class revel in inherited wealth. Many of the latter need do nothing—only be born. Two reasons why so much violence by strikers in America goes unpunished by law are a belief among the people that many wage workers are not getting their just dues, and a feeling that the violence is partly excusable under the conditions by which they seem to be hemmed in. The mass of our people also have a living narrowly limited, though not so scanty as that of the British, while the wealth of our millionaires is notorious the world over. Undoubtedly it is true that in permanent results the worst strikes, like bloody wars, are better for society than unprotesting submission to wrong conditions. Humanity's struggle for better things has always been at first more or less of a blind groping. Only from the costly lessons of experience can wage workers learn how to free themselves. A share of the cost of these lessons falls on other classes, in losses by strikes, and in the effect of discontent to lower efficiency and diminish production. Society means well in being lenient toward strikers whose violence, injuring their own cause, is seen to be but an accident in a noble effort to do the best they know to realize God-given possibilities. Is society doing as

¹This case, in which the courts decided that the county was liable and settlement was made on the best terms to be secured, seems to be the only important one of damage recovery for strike violence. Illinois has a statute, making cities and counties liable, and several cases have arisen. The city's liability would depend on what its duty is in restricting picketing, and on how well it used its resources in keeping the peace.

well as it means by assisting wage workers to find the right course to pursue?

The Idea That They Are Being Robbed by the present workings of the system of dividing the product into rent, interest, profit, and wages, is what justifies strikers, in their own minds, when they beat away non-unionists, and take forcible possession of their employer's premises.¹ They have a vague feeling that they are simply taking steps to recover in higher wages what was always their own, and that the means adopted are necessary to overcome advantages cunningly secured over them by the wealthy classes. Their motive is not like that of the burglar or pirate. The fact is, in view of their unselfish spirit toward all common people, that the

'Demand for a Share of Capital's Earnings was Made at Homestead in 1892. Improved machinery had so increased product that at old piece rates rollers were earning up to \$279.50 per month. The new scale unsuccessfully struck against reduced their pay about 50 per cent, and the pay of 325 in all about 18 per cent, though by 1899 rollers were again earning nearly \$200 in full months. Only about 800 belonged to the union (Amalgamated Association), the laborers, about 3,000, being unaffected in pay, their work being by the day, in three shifts of eight hours. The demand was similar with the Pullman strikers in 1894. President Cleveland's strike commission said that of the loss on certain contracts, only a fourth, instead of half, should have fallen on the workers, since the reduction made brought wages near to the subsistence line, while the company's \$36,000,000 of capital and \$24,000,000 of reserve (\$2,500,000 in dividends the previous year) suffered a diminution of but 1 per cent. C. D. Wright, in a lecture, implied that there was great injustice in suddenly reducing wages so low, and in keeping rents so high (under an autocratic rule and no effective unionism), as to throw practically the whole burden of the dull times on the workers and their paltry \$600,000 in savings banks. This was doubtless true, but only in the sense that the employer ought not, and can seldom afford, to use arbitrarily his full legal power of wage reduction and discharge. It would be harmful to society for the prosperous employer to have to grant workers in dull times any larger total pay above market value of their labor than was necessary to keep the force in good working order for his own sake. To do otherwise would be charitably, or by duress of unionism or misguided public opinion, to make capitalists, or partial parasites, with positions having a sale or rental value (p. 142), a few clamorous men accidentally having positions with the Pullmans and Carnegies, while injuring all others, in lessened supplies and raised prices, by reducing the reward for success in business (p. 143). See Chapter XIV. for discussion of the worker's right to his job.

hearts of the trade unionists who engage in riotous striking are pretty nearly right. What they lack is knowledge and judgment. They do not realize that if the rich were freely to divide their incomes with the poor, the conditions of life would become far worse than they are now—would stifle the effort necessary for progress, and bring poverty to all.

The Abler Unionists Have Learned that God honored man, not by placing him in heaven at first, but by entrusting to him the mighty task of working out his own destiny, and thus of being the creator of his own world; endowing him with a mind and a physical realm of wonderful possibilities, but doing nothing for him that he can do for himself. They have learned also that in another way God honored man, by endowing him, not with a nature incapable of sin, but with a nature given to serving self rather than to serving others, so that for good character possessed he has the merit of choosing and attaining it. Hopes of a good time for all, capable and incapable, under some simple system of collective ownership or socialism, are cherished by many of the newer British unions of unskilled men, and by the less level-headed among American unionists of all grades. But the deeper-minded unionists know that there can be no such easy solution of the problem. They have no such plans as those by which the Knights of Labor in 1885 expected quickly to regenerate society. The experienced professional and salaried leaders of the American Federation of Labor, and of the solid unions of America and Great Britain, some of whom have become business experts and capable economists, realize that the working class is to be lifted up by a line of self-help and public reform that must be patiently followed indefinitely into the future. Though necessarily partisans in their leadership of men, whose zeal needs perhaps to be fanned by some partisan agitation, they realize that very few of the propertied class oppress workers knowingly, or lack in honesty of purpose, or differ from what others would be in their places. Adherence by able union leaders, in their writings and speeches, to fallacious notions, such as the claim that good wages depend on workmen's demand for a good living, not mainly on the market value of their labor's product, seems to be continued out of

loyalty to orthodox union doctrines, a loyalty that may be necessary to hold together the rank and file. When action comes to bargaining on wages, the leaders understand that employment is governed by market conditions not to be changed, and hence do not indulge in unreasonable demands, restraining rather than fomenting strikes.¹

¹C. D. Wright says that as a rule unions now are friendly to use of machinery, are studying practical economic questions, and are not drags upon industry. "The exceptions to this rule are now so few that they need not be considered." (*Contemporary Review*, Oct. 1902.)

Conservatism of Labor Leaders. "It was the council of the American Federation, acting with the chiefs of the railway brotherhoods, which refused in the face of immense pressure to participate in the railway strikes of 1894, and thus averted a disastrous conflict with the military forces of the United States. It was this same council that in refusing to affiliate the central federation of New York, with its 59 local unions and some 18,000 members, because it included a branch of the Socialist Labor Party, struck the keynote of resistance against the dangerous delusion that the emancipation of the working class can be achieved by placing in the hands of shallow politicians the business enterprises now conducted by private persons. And it was the same council whose policy, after an envenomed conflict of five years' duration, was vindicated in open convention by a decisive vote of 1,796 against 214, and the program of the common ownership of all the means of production and distribution was declared alien to the trade union movement. . . . The Federation has demonstrated that the spirit of the trade union is essentially conservative, and that in the measure of its conservatism it has become the most valuable agent of social progress. It has been enabled to transform the old time trade union forces into a disciplined army, only engaging in industrial warfare when diplomacy has utterly failed." This is quoted from a speech at Buffalo in 1901 by President Samuel Gompers, of the Federation. Every student of unionism should read this society's pamphlets, and especially its monthly *American Federationist*, Washington, D. C.

One of the Most Hopeful Signs of the Times is that socialists and unionists, even those professing the more extravagant doctrines, are ready to unite with fair-minded men of other parties in sensible reform legislation. To this union between radicals and conservatives, in an honest effort to promote the welfare of all, is due the enactment in late years of many good labor laws in different lands, and the promising movement for municipal ownership of gas works and car lines. The importance of turning in this way the zeal of the radicals to good account in legislation that is really needed, instead of driving them, by stubborn suppression of unionism, into a revolutionary use of their voting power in taxing the rich,—is the main teaching of Mr. John Graham Brooks's valuable new book entitled "The Social Unrest," which comes to the author of this volume as his manuscript is

The Things to be Done, on which the abler labor leaders mainly agree with other thinkers, include the following. 1. Acquisition by individuals of capacity to be worth good wages, to save money, to have things, and to think, vote, and live intelligently. 2. Development wherever needed of unions with which the employer will prefer to bargain—which will give him the best service obtainable, but will take in wages all except the profits, interest, and rent that nature fixes unavoidably in the conditions of the times, and which will always be paid in some form to somebody. 3. Securing for the public, in taxation, in lower fares, or in outright ownership, the monopoly profits in railroads, telegraphs, street railways, etc. 4. Removal of taxation from a tariff on necessities, and largely from ordinary personal property, to place it where it cannot in higher prices be shifted over to others—that is, on inheritances and incomes, and on land, whose value, apart from its improvements, depends not on the owner, but on the increase of other people who want it. High value of the natural monopolies mentioned comes in the same way. Only by the slow method of educating people to see the desirableness of these various reforms can they be brought about. Encouraging progress in this education is now being made.

being finally revised for the press, and whose agreement with the positions taken herein confirms his confidence in their soundness.

CHAPTER X.

QUESTIONABLE POLICIES OF TRADE UNIONS.

The Unionist Objection to Piece Work (payment according to the amount done) is regarded by many as evidence of a desire to prevent men from working fast, or worse yet, of a desire for opportunity to render less than an honest return in labor for the wages received. But there are reasons for the objection that are sound. It is most prominent in unions of machinists, who have long resisted vigorously the desire of many employers to pay by the piece. The reason here is that usually to each man there falls too great a variety of work to admit of piece rates giving on every job uniform pay per amount of effort required for execution. While there would be a chance of earning too much on jobs proving unexpectedly easy, as often as a chance of earning too little on jobs proving unexpectedly difficult, the vital objection is that a piece rate varying from job to job would often need to be agreed on by the foreman with a workman separately. This would be giving up collective bargaining, for which the union chiefly exists, unless the trouble and expense were borne of keeping the union's shop chairman, or its local walking delegate, busy at the bargaining of different workmen. Few men are sufficiently expert to bargain on an equality with a foreman. Besides, some may be influenced by favor, and others by fear, to accept less than the union's standard rate.

Piece Work is Desired by Most Unionists in Great Britain, or is willingly accepted, not counting those among unskilled laborers, and among men engaged in transportation. As a rule these must be paid by the week, day, or hour, because the amount of work each does cannot be accurately measured. Excluding these sections of workers, and not counting unions having in all branches less than 1,000 members, Mr. and Mrs.

Sidney Webb found in 1894 that 49 British unions, with 573,000 members, insist on working by the piece; 38 unions, with 290,000 members, insist on working by time; and 24 unions, with 140,000 members, willingly recognize both piece work and time work. By only 29 per cent of these unionists, therefore, less than a third, is time work insisted upon. By a rough estimate of the British labor department, two-thirds of all workers, without regard to unionism, not counting farm hands and domestic servants, insist on time work, and one-third on piece work.¹ By these figures, the proportion of unionists engaged on piece work is probably about double the proportion so engaged in the working class as a whole.

Varying Speed of Machinery Makes Piece Work Necessary in cotton mills, to save the operative from being sweated, or made to do more work than he is paid for at the rate contemplated in the labor contract. Increasing the number of spindles and speeding up the machinery, things not controlled by the spinner, would almost certainly crowd him unjustly if he were paid by time, instead of by the amount of thread spun. British cotton operatives would therefore strike against time work. Moreover, in this improving trade, piece work gives larger pay when a faster machine is put in, and throws on the employer the burden of securing a lowering of the rate. But to obtain for each operative pay exactly according to the value of his productive effort, requires an elaborate list of rates,² to cover every variety of cloth, material, and machine, and the constant services of paid experts, who alone can make with certainty the intricate calculations involved. In Lancashire two of these experts go together, one hired by the mill owners' association and the other by the operatives' union, which two organizations agree on the piece rate list by signing a term contract. The two experts, being evenly matched, and knowing what the list requires, protect the interests of every operative

¹Webb, "Industrial Democracy," 285.

²The printed piece work list of the American glass bottle blowers contains about 1,200 specifications. Another elaborate list is that of the New York garment workers' union, which requires the price for a new style to be set, never by the bargain of an individual worker, but by that of a union committee.

and every mill owner, and good feeling prevails for years at a time. The reason for piece work in coal mines—payment by the ton—was the crowding of miners in England by butty masters, or subcontractors over a few men. Simple time work for the owner is not suitable in mines, owing to the difficulty of superintending small and scattered groups. Stonemasons, bricklayers, and plumbers have been vehement against piece rates, because their work is done in positions on a building involving varying degrees of difficulty. Being governed by the same conditions, it is probable that the division between piece work and time work is about the same in America as in Great Britain, though labor leaders in America, for reasons discussed further on, were found by the Industrial Commission in 1901 to be decidedly more averse to piece work than British labor leaders seem to be by Mr. Webb's accounts. Perhaps the British piece rate systems are older, better settled, and better watched by union experts.

Rates Become the Same in Piece Work and Time Work, per amount done, by the effort of each party in the wage contract to bring the pay and work to what seems right when compared with the pay and work of other persons of about equal skill. Piece rates are fixed so that the average man, at average exertion, will earn as much as when on customary time wages. Under each system he then does the same amount of work for the same pay. But as the effect of more work to bring more pay in piece work leads to greater than average exertion and exhaustion, it is agreed by employers that in piece work a man should earn about a quarter or a third more than when on time work. To get only the same pay for the faster work, sometimes assumed as proper because the time is the same, would be a grievous lowering of wages per unit of product and of effort. It is well understood by the employer in the contract for time work, not that the man is to do all he can, but that he is to do what is customarily accepted as a fair amount—all that the average man can do with average exertion. With trades in which both systems are followed, such as type-setting, the plain matter of books, which is easily measured, is generally done by the piece. Then, by superintending quality alone, not amount, the employer is sure of his dues,

while by exertion the workman can earn more than the time rate per day. But where the work varies, as in setting forms for bill heads and cards involving all grades of difficulty, a just piece rate is impossible, and the work is done by the week of fifty-four or other fixed number of hours.

The Proportion of Piece Work is Increasing Rapidly, a natural result of the present high tension of industry. As rent, interest, and office expenses continue when the mill is partially idle, and as machinery but little worn must soon give way to new inventions, the employer reasonably desires to get the largest possible product per hour and per machine, that with low prices he may secure a large share of business before demand slackens. Prompt delivery also is very important, in gaining and holding customers. In many American machine shops, especially those of railroads, piece work is now being introduced, and workmen are often censured for their resistance, sometimes to the extent of striking, a long strike for this purpose being carried on in 1902-3, and with success, in the Union Pacific shops. Yet, despite over-suspiciousness in some cases, and disregard of demands of progress, workmen may be excused for adhering to a policy long followed, and for being reluctant to accept an innovation that may involve friction, and that is almost sure to endanger the standard pay for the daily product of average speed.

Workmen Naturally Mistrust a Change. They fear that the employer designs to gain at their expense (or will so gain) as well as to gain by closer utilization of plant. If by a new system of piece work the amount earned in a day seems too much, the question of lowering the rate will arise, and previous work at time wages will seem to have been too slow. There might be cases here where deliberate restriction by workers of amount done would be excusable, to avoid upsetting the piece rate and making trouble. Doubtless it was experience that gave machinists their belief that piece work will surely lead in the end to lower wages—if not per day, at least per amount of effort. Unquestionably there is some force here in the standard of living theory of wages. Both the worker and his employer, as well as others who know of the matter, come to feel that a man should have at least the pay

and the living to which he has been accustomed, but not much more than the usual pay of his trade and his grade of skill. If by a change to piece work it is found that he can increase his output materially, he will be in danger, from rate lowering, of being expected soon to do the enlarged amount of work for the same pay he had before. There doubtless have been many cases in which, from slack foremanship, the previous speed was too slow for the pay, comparing the work with that of other shops in the same trade, and with that of other trades of equal difficulty. But while there must always be in time work a risk of driving men too much or too little, the tendency of a workman's average speed, apart from his own will, to settle at a point in proportion to the encouragement in his pay, will generally prevent an employer from getting by any method, for the same pay, additional work from one already making proper exertion. The standard of living theory has little application to men so intelligent as those in the machinery trade, in which workmen go where their labor will sell for most, whether they need all the pay to live on or not, and in which competition leads employers to pay a rate very high when the worker's product is worth it, and cannot be obtained from others taking less.¹

¹To Insure That Change to Piece Work Does Not Lower the Rate per degree of effort, the rule of the British machinists' union is reasonable that a man must be paid for a day on piece work at least a quarter more than the standard time rate per day, even though at the piece rate the work done amounts to a smaller sum. By this plan the foreman must make the piece rate high enough for each new job, so that with it the man can earn a little more than an excess of a quarter over the time rate; for if not, the workman, knowing he cannot pass that excess, will really be on time wages made a quarter higher, while his speed will tend to lose the piece work pressure, and drop to the time average. For the same reason of guarding against a fall of wages per day, a man on piece work must be kept supplied with material, or be allowed to charge time while waiting. Without this the employment is only partial, and must be left if better can be found elsewhere. It is the piece work already established that workmen prefer, in which change of rate because some men earn large sums is never thought of by the employer. In introducing piece work the risk is that the estimate of necessary time to do a certain amount will be based on the work of a fast instead of an average man. The Michigan Central Railroad Company is introducing piece work gradually with its machinists, giving time to understand it, and setting rates that admit of a

That Piece Work Makes Men Selfish is a claim of some unionists that is probably based in part on the idea of its taking work from others. An answer to this would be that for a fast man to desire all he earns at his natural and average exertion (not strained and greedy) is less selfish than for a slow man

liberal addition to earnings without harmful strain above the previous time work average of exertion. There will still be gain to the employer, from faster use of machines and prompter delivery. To avert suspicion, some employers confine new piece rates to repetition work, easily measured, and set a long time within which they are not to be changed. (See the magazine articles referred to on page 101.) Starting with a piece rate too high is unfortunate, necessitating an early change downward. To a regrettable extent the common mistrust of changes from time to piece work, and of later reductions in the piece rate, is well founded. Many employers have not only considered the fast rather than the average worker, but in the new rate have deliberately planned to lower the pay per unit of exertion.

To Maintain Justice is Not Easy. The union rules to guard the rate, per day and per degree of effort, are nearly always reasonable and largely necessary. The whole system of unionism, which in the Webb volumes is shown to be a complex growth, from experience, of needed regulations and of successful self-government, has little of the shallowness so often assumed by its critics, and in some respects could be little improved upon by pretentious scientific thought. The least addition to the difficulty of work, above that on which a piece rate was based, impairs the contract. Where the foreman does his duty, time work at a uniform rate is fairly just, the aim being to employ only the competent. But usually with time work, and often under high wages, some men do more than others getting the same pay. The time rate is based on the average of work done. The fast must make up for the slow, the willing for the loiterers. It is seldom possible to find enough of the fast alone. The socialistic complainer of alleged injustice is often one of the slow, an exploiter himself, getting more in proportion to his product and utilization of capability than others who cheerfully do more and fare better. The employer breaks his contract for average work of the average man when he induces one man to act as a "pacer" or a "bell horse," and set a faster pace for the others; or when a foreman, paid by the quantity the men do, tries by driving them to get piece work speed at time work pay. The subcontractor or small master is tempted to do this when he acts as the leading worker himself. On the other hand, workers afraid of doing too much tend to fall below the average speed on which the contract was based. Purposely going slowly to adjust work to low pay the employer will not raise, is adulteration of men, as making shoddy is adulteration of goods (Webb)—unless the employer, when the contract was made, had reason to expect such a method of getting even. Fortunately, in general practice, justice is approximated pretty well where each side tries in the spirit of fairness to do its part and to expect no more.

to object to piece work because it shows his slowness, and takes away his chance to gain from a time rate that either imposes on the employer or is maintained partly by the fast man's product excess;¹ and such a desire is less selfish than for any man to object to piece work because it crowds him from a trade in which he is not needed, by getting more work from machines, and thus cheapening supplies for society. Also, so far as it makes men selfish in refusing to stop to help others, it may be that previously the help was given in the employer's time to hide another's incompetence. Here, as elsewhere, ascribing a fault to others is commonest with one who is given to the same fault himself. It is true that by piece work a greedy spirit already existing is revealed; but such a spirit, instead of being made worse by piece work, is probably checked, by discovery of inability to cheat the employer in quality, and of the disfavor aroused by efforts to cheat fellow workmen. This idea of selfishness is doubtless connected with the socialistic intolerance of rewards and punishments according to merit, by which alone the effort necessary to support civilized society could be maintained. There is in socialism not only a desire to have the lazy exploit the diligent by receiving beyond the amount one's labor produces, but also to hide the facts in the case, and thus save the lazy man from the disfavor he deserves. Though he were only incompetent by

¹**Ought the Swift to Help the Slow?** In an editorial *The Independent* of Oct. 2, 1902, says it is the duty of superior workers to help the inferior by keeping up for the latter the one time rate—that to throw the burden of a low rate on each slow worker to himself, and then to call the higher rate a mark of superiority, is to add insult to injury. To this doctrine there are serious objections. First, for the slow the rate can be raised very little; the foreman watches them the most, and men not well earning their pay are kept only during a temporary excess of business. Second, there is no humiliation of the slow if they do not thoughtlessly or enviously try to pass in a class where they do not belong. Such aiming at equality, besides being humiliating and vain, makes self-confidence and efficiency still lower, and even tends to pauperize, when there is thought of a duty on the superior to help. In every relation of life, men who keep to the class in which nature (not chance) places them are not troubled by the fact that others have an endowment larger. The latter help by advancing industry and civilization for all, thus increasing employment, raising wages, and multiplying goods and services.

nature, and faithfully did his best, it is yet unwholesome to try to make appearances deceive. Among people keen enough for progress, one's incompetence can never be hidden, nor has he any chance of outwitting them. They will be most considerate toward him when there is no attempt to claim for him by deception.

Other Objections to Piece Work. One of them is its effect to induce workers to strain themselves at first for the sake of larger earnings. But after they have become accustomed to it very few whose pay affords adequate support remain so nervous as to over-work unless they are of the ambitious types who in effort at self-advancement are in danger of excess under any system of work or in any occupation. The haste and nervous pressure induced at first by a change from time work to piece work are often felt also by a piece worker picked out temporarily for work by the hour, in his anxiety to deserve and retain the confidence placed in him. This confidence, shown in the appearance of not having the work subjected to constant measurement,¹ is undoubtedly, together with the socialistic dislike of tests of any kind, an important reason why American unionism generally considers piece work as being on the whole a necessary evil, to be abolished if the unions had the power. Such opposition to the system prevails especially in the unionism of garment workers, shoe workers, and boiler workers, all of whose payment is mainly by the piece. It is strong among the leaders, with whom another reason for it is their tendency to want all in the trade to be employed by dividing up the work in as small amounts per day as will suffice for maintenance of the union rate, so that lack of men to be hired will give the union power for enforcing demands on the employer. The prevailing piece system, however, is probably satisfactory to all those in these trades who are not specially

¹But men under time work are none the less compelled to earn their pay, and the anxiety about meeting the employer's expectations is often greatest in the high positions where the watching is least. Every case of time work too slow is balanced by another case too fast. The sharp competition of to-day insures that the employer who is to continue in business will rarely fail under any system to get an average of work to pay that is not to his disadvantage. He will be too shrewd to overlook any effect that concerns him.

given to unionism, and is naturally preferred by fast workers and others who are glad for the chance in piece work to earn above the average.

The Claim That Piece Work Necessitates Permanent Over-Exertion for all except the few rapid workers, in order for one of average ability to obtain wages that by time work might be reached with exertion moderate and healthful, is another reason for the union opposition to piece work. Is this claim sound? If, under the supply of workers that cannot gain by leaving the trade, the employer can hold them to a piece rate that is low for all except the fast, why could he not hold them to a rate equally low per unit of product under work by time, and thus lower their daily pay on time work as much as they lessened their output? The apparent answer is that under time work no amount of driving would get so large a product from them as they are drawn into turning out by piece work, and that as the same rate per unit of product, under the slower time work, would make the daily pay too low to hold the faster in the trade, a higher rate per unit of product, and per unit of exertion, would in the case of time work be really necessary. Hence, it seems to be true, as unionists claim, that piece work lowers pay, not only when too much is earned, under a piece rate based on time work too slow, but also when too little is earned, under a piece rate based on time work too fast. The employer apparently has a lever for sweating in the power of piece work to draw out exertion. But do appearances here accord with the facts? Would a change to time work make the worker's conditions better? Undoubtedly, on the average, it would not. With the large number of women, boys, and cheap men ready to enter the garment and shoe trades, a change from piece work to time work that raised cost and price of product would doubtless be impossible, yet if really effected such a change would lessen consumption, leave many of the slower workers idle, and thus after all, by their necessity of getting the work to live on, bring the time rate per unit of product and effort back to the low level of the previous piece work. After the change to the time system those persons doing most or best work could get their previous piece rate earnings per day by separating themselves as a picked class in

a union, but the slow or unskillful would either have to struggle along in this class by over-exertion, or take in non-union shops time work lowered in daily pay as much as it was lowered in value of daily output. In short, where applicants for the work are so numerous that a piece rate drops to where only the fast can earn a decent living, the low piece rate is all that such labor power is worth in the market. To raise market price the supply of labor offered must either be diminished or divided. Doing the latter by unionism is practicable and wise where there can be, to the satisfaction of employers, a separation of the better workers by somewhat clear lines of speed or quality. This is the basis of unionism's success in the many skilled trades. But where the lines of separation are not clear, or are not depended on, there are sometimes attempts to diminish the *total* labor supply, rather than to grade it. The diminution here involves the crowding out, by ostracism and fear of violence, of weak workers better entitled to sympathy than the unionists, or instead of this involves the more or less continuous support of these weak ones on the union's out-of-work funds.¹

The Only Sound Way of Relieving Such Conditions in a trade is for large numbers to leave it. Unquestionably this is always practicable—in America at least. Both the anthracite and the bituminous mine workers, it is not to be doubted, could readily have bettered their conditions long ago by turning in adequate numbers to other occupations certainly not more laborious. A host of immigrants find new work each year. Very probably the miners could thus have found an effectual remedy with half the cost brought on them and others by their frequently vain collective attempts to force a support for many of their number where they are not needed—attempts involving the unpermissible methods of resort to bitterness and vio-

¹The latter is carried so far in Great Britain that to unemployed members a subsistence at least, out of the union treasury, is guaranteed. This must be effective to bind men to the union, but no less effective to make them depend on it instead of providing for themselves. Such payments necessitate care not to admit too many of the weak. The American iron molders' union has supported, for as long as two years from the start of a lost strike, a few capable men who failed to find work. With unions generally the time of such support is short.

lence on the one hand, and on the other to piteous portrayals of their hard and dangerous life, with piteous appeals to public opinion in their demand for a living wage. Seeking relief in these cases by such unionism is not very different from seeking it in socialism. Unionism here becomes unwholesome, being depended on too far. No unionism, no sympathetic public opinion, no government socialism, no arrangement possible to the ingenuity of man, will ever keep away very long the blight of unemployment, neglect, and suffering from people who persist in wasting labor power and burdening society by staying where they are not needed, instead of serving themselves, and all others as well, by manfully seeking out, each for himself, the adequate support that in America is always awaiting self-reliant effort. The same may be said of the women garment workers in New York, who persist in working at starvation piece rates (usually in hours too long rather than in speed too fast) instead of taking the easy living awaiting them in domestic service, or of seeking work in wholesome factories.¹

Piece Work is the Most Just and Desirable in trades for

¹**A Habit of Calling for Help Unnerves People** in every condition of life, down to the child whose readiness to give up and cry is as much a cause as a result of his ill success at doing things. Many of those whose lack of balance on the realities of life draws them to the vortex of frivolity in the city, much as candle flies are allured to their destruction, approach imbecility when they weaken at hopeful effort to care for themselves, and give over to complaining of society. Jacob A. Riis tells of his inability to induce idle men in New York to do work at his home a few miles out of town, though he offered to pay the five-cent fare and let them travel on his time. On two different occasions, when he tried in vain to have some painting done at his home, an idle painter in the city, unable to support his family, gave up the struggle by suicide. Of a hundred families selected to be sent out of the city with help from the Baron de Hirsch fund, only seven were ready to go. "Jobs still go begging on Long Island. Kansas clamors in vain for laborers. The city is full of the unemployed. It is a sad story of loss of resources—of manliness, of independence, identity almost. Only in the city's crowds are they happy. They have forgotten to think, or they have unlearned it." ("Labor and Capital," Putnam, 1902.) Such people the state will have to save from themselves, by varied education and by some compulsion (Chapter XXII.), as the Canadian government had by force to head off recently the stampeded Doukhobors, when in their pathetic fanaticism they went out on the prairie into danger of freezing and starving. People in such conditions become incompetents.

which it is suitable. In these it greatly reduces the cost of superintendence, quality being easily inspected, and no foremanship being required to insure that enough is done in quantity. This saving and relief from risk raises the limit to which wages can be pushed. After piece work has been established, and the distribution of workmen among the different trades has been adjusted, it has no effect to reduce workers to idleness, however fast its regular speed may be. In a change from slow time work, not paid for too high, to reasonably fast piece work, with earnings increased at least as much as the exertion, there would be at first no injustice to be corrected, and by the change no injustice would be caused. Unless the lowering of cost of production and of price, by better use of machines, increased consumption, some of the workers would be left idle; but their employment before would have been due to the fact that by slow work capacity was wasted, and they could hardly fail to be benefited, and society with them, by their transfer to other trades in which they were needed. By piece work alone, beyond the gathering of fast men into certain shops to themselves, does the naturally fast man get the advantage of his gifts. By it alone does every worker, fast or slow, get exact justice in payment according to what he does. The hope of the slow for aid from a time rate, averaged above their product's worth by the larger production of the fast, is sure to be blasted by unemployment. Employers know too well what they are receiving; besides keeping the time rate low enough to guard against uncertainty in average output, they are quick at getting rid of those by whom that average is not reached. So far as the slow need help, other ways of rendering it are better. Nothing perhaps is equal to piece work for drawing out what capacity the slow have, and for settling them in the work at which they can earn most and develop furthest. Over-exertion is not a danger to them, and may be no more likely with them in piece work than in effort to tighten their weak hold on positions in work by time. And by piece work, far above other systems, is each man induced continually to approach nearest to that use of his powers which is best—to his own advantage in earnings, in character, and generally in health too; to the advantage of all whom he affects as a customer; and to the

advantage of all whom his enlarged output affects as consumers. None are harmed at all except the few losing employment by reason of the faster work of him and his comrades; while these few are really benefited, and in the short run at that, by the change of their support from the tottering basis of a waste of labor power, over to a sound basis of actual need for their labor in some other trade—a need always to be found under society's increasing wants.

The Unionist Objection to Working at One's Best. Partly from the desire to spread out the employment among all, as revealed in the preceding discussion of piece work, and partly from reasons less questionable, there is often noticeable, among ardent union men, an unmistakable tendency toward disapproval of a workman's effort to do the most and best work he can. Among men at work by the week, to "soldier" or kill time, and thus rob the employer, would seldom bring criticism or disfavor from other workmen, while not to stop instantly at the moment of quitting would, in the case of a new employee, at once arouse suspicion of disloyalty to the union—of being disposed to favor the employer unduly.¹ This tendency of unionism is highly objectionable to good people whose ideas of work are those of the many districts and occupations in America in which ambitious wage workers easily pass to higher positions and to independent business. In these cases Franklin's early-to-rise and plow-deep maxims are sound, since the average worker following them is generally benefited by such action as much as is his employer. But in this matter trade unionists could scarcely act otherwise than as they do. The union rate per day, on which their standard of living depends, can be lowered as easily by doing more work as by taking less pay.² Caring for the interests of the union, in pro-

¹W. T. Stead, when in 1893 he tried life among the poor as a laborer on relief works in Chicago, wrote of the censure he brought on himself by working too fast.

²**Overdoing Unionism.** However, it seems, union men working for a struggling concern could afford to be somewhat liberal in construing the just rule not to lower pay per day by doing more work than was contemplated when the rate was fixed. On the failure of such a concern, taking away their positions, its work might pass to non-union shops. Some fair-

tecting the rate, is the collective duty on *them*; to get fair service from each man is the duty of the *foreman*. Doing one's most and best work would not be objected to from an apprentice learning the trade; who in doing thus acquires skill and a habit of efficiency; but a journeyman on time work who habitually did more than the expected or contract average, and did so with obvious effort, not with an involuntary movement naturally fast, would be rightly suspected of trying with questionable motive to gain special favor with the employer. There is reason for this attitude also in the fact that the hurried, exhausting rate of the one man's work might soon be expected by the employer from others, with the feeling that the latter were not doing their full duty.¹ Moreover, setting a fast pace by one tends to constrain the others to equal it, since it is humiliating to fall behind; and in group or team work each

minded men have been turned against unionism by the conduct of workmen under such conditions—the workmen not seeming to notice that the employer worked the hardest and was paid the least, and apparently straining their unionism to make their work inexcusably troublesome and expensive.

Methods of Sweating Time Workers. Where employees are weak and submissive, and where, partly for that reason, employers compete unscrupulously, the driving of time workers may become shameful. With a system of paying by amount done, measured each hour and bargained upon with each worker alone, Polish girls making overalls in Chicago are driven to work harder than under piece work. The task system in New York Jewish tailor shops has driven women out of some lines of work. In watch engraving, at some places where there is no union, 60 minutes is set for a job, and only 60 are paid for if the job takes 300. Paying for as a day's work a fixed amount that often requires a day and a half, is common among New York's sweated garment workers. At the Chicago stock yards, by speeding moving machinery, of which each man has to handle his part as it passes, the "amount of work finally wrenched from the men is sometimes almost incredible as well as inhuman." Such methods involve a reckless waste of human life, a coining of profits from blood. Some of the foreigners employed in the rush work of the steel industry go back soon to Europe to rest on their savings. (John Martin, *P. S. Quarterly*, Sept. 1902.) A superintendent said to R. M. Easley: "It is true, the way we have to rush things now makes it necessary for us to get in a batch of men, work them out, and then get a fresh batch." He spoke as if he were referring to a lot of scrub brushes. (*The Independent*, Aug. 28, 1902.) In all these cases of rushing, unionism is a crying necessity, and should be heartily supported by law and public opinion.

must keep up or the whole team is balked. Ordinarily perhaps there would be among unionists no objection to a man's working fast occasionally, to show what he could do, nor to his doing always work of extra quality. Excelling to that extent increases efficiency, and paves the way to promotion.¹

Union Limitation of Output is Rare in America. Apart from the few trades in which the unions have much monopoly power, limitation in any way by them of the amount of work

¹**Fines on Members for Fast Working,** it was found in the British investigation of 1867, were imposed by unions of bricklayers, of masons, and of laborers. Care not to work too fast, according to the published accounts mentioned further on, seems to be a settled policy with British workmen in general, enforced perhaps by working class opinion rather than by union rules. No doubt a feeling of this kind exists among workingmen in all countries, though unionism confirms it into one of its policies. The union of American flint glass workers strictly limits the day's work for its members. The union of stove mounters at Detroit does not permit its members on piece work to earn in a day over \$4.50, the rate for time work per day being only \$2.75. The union of tin-plate workers takes for its treasury the excess a crew earns above the amount set for a day, and fines each man 25 cents besides. Unions of machinists and printing pressmen forbid the running of two machines by one man. The Chicago carpenters' union had in 1900 this rule: "Any member guilty of excessive work or rushing on any job shall be subject to a fine of \$5." A foreman rushing his men was to be fined "not less than \$10 and ruled off the job." Albany molders at piece work are fined \$2 by the union for earning in a day over \$4.80. The national president of the window glass workers' union has been trying against strong opposition to induce it to remove its limit to the day's work. Garment workers have a maximum output, but their trade is subject to rushing.

Killing Time a Third of the Day. At Chicago, in some work, the limits set by the plumbers kept them busy only two-thirds of a day; the lathers were getting \$3 for a day's work limited by the union to 25 bundles, though some years previously they had handled 35 bundles for \$1.75. Such loitering by local union rules is condemned by the union's national officials, and by the majority of the rank and file, who know that wages depend on product, and that such loitering makes men unscrupulous and shiftless. (John Martin, *P. S. Quarterly*, Sept. 1902.) These and other bad restrictions were abolished by the lockout of 1900, as were such restrictions of British machinists by the lockout of 1897. The present rule of the New York plasterers seems to be unjustified, showing no apparent relation to rushing: "It shall not be allowable for members to work single-handed where two men can work to advantage." For the same purpose of making more employment is the New York rule requiring that the men laying fine glazed brick shall also have the coarse brick to lay.

to be done in a day does not seem to be a rule in this country to any important extent. The American worker's daily output, as measured by quantity and quality together, is well known to be the largest in the world; and the desire of workmen here for very high wages leads them willingly to accept fast working where necessary in order that wages may be maintained. This is the necessity in the absence of the partial monopoly possessed by both employers and employees in the building trades (page 236). Setting the limit too low would be harmful to capacity and character, and having any limit at all would tend to be harmful unless employers, because of high wages or for other reason, were specially given to driving. There is no trouble about working too fast or too slow where on one side are men of the willing and friendly-spirited class to which permanent positions are as far as possible confined, and on the other an employer who, not being short-sightedly grasping, knows that generally, even in the short run, a hurried speed will be less profitable than one that is fair and moderate. Whatever the employer's effort to have the speed of a machine set fast, or the worker's effort to keep up with it, the happy medium that yields best results in a week or a month can in most cases be only slightly increased without loss. Either of employers or of men, the proportion not thus reasonable is probably very small. Yet undoubtedly not a few ardent unionists, tending under socialistic ideas to hold back others rather than to get ahead themselves, need to remember that product makes wages. Too long in some cases, before a man loses his position, his work costs more than his product sells for. And if a man's natural speed were clearly exceptional, or his habitual effort, which would be likewise a natural gift (of industry), the effect would generally be to place him ahead deservedly, not to affect the average class, to which he obviously did not belong.

That There is Only so Much Work to be Done, and that if, under fast work, or long days, one man does too much he takes away the employment of others—a unionist doctrine everywhere apparent in the preceding discussion—has probably been ridiculed too freely. Besides the good reasons already ex-

plained for much of the action of unionists in this connection, the doctrine of "the lump of labor" may have solidity when by temporary depression some men *needed in the trade* are idle. They are kept idle by allowing men with regular employment to work overtime. It is for this reason, as well as to avoid excessive fatigue, and to avoid depressing the regular rate by earning under it too much per day (page 258), that overtime is usually discouraged by a union rate of a price and a half—sometimes a double price for work on Sunday.¹ To avoid rushing one year and lying idle the next, is a good reason why unionists object to overtime and high pressure piece work. This is discussed in the chapter on irregularity of employment. But apart from the matter of temporary depression, the desire of many unionists to do little work,² in order to make jobs for others, is based upon a gross fallacy. This is explained in the chapters on the shorter work day and on convict labor.

¹Where much overtime is worked, even those men whose pay depends least on the standard of living, and most on firmness in selling labor at full market value, will be in danger of consenting to a lowering of rates, both by piece and by time, since with overtime they can still make good wages. Where machinists' wages and conditions in England are worst there is much the most piece work and overtime, the actual day being about twelve hours. Some firms have adopted piece work because under it overtime cannot well be separated. (Webb.)

Allowing a member to work but five days a week, as was done by at least one American local union of printers in 1896, seems allowable at rare intervals, when by deep depression a reasonably high rate is endangered by presence of idle men who will be needed in the trade when business improves. (Chapter XVI.)

²The **Rule Against One Man's Holding Two Jobs** (another rule designed to divide up employment) could be reasonable only where he would be over-worked in attending to both; and here, if he received the union pay of the job rated the highest, the proper restriction, it seems, would be simply to hold him to reasonable exertion, and leave it to the employer to man his shop properly or bear the consequences. Where one position does not occupy all of a man's time, to forbid him to add to it the duties of another wastes labor power, weakens the employer's business, and injures society. The refusal of the British union of iron shipbuilders to work with men who are both iron and wood workers must arise from the principle of holding two jobs, or of demarcation between trades—explained further on. (*U. S. Labor Bulletin* No. 33, p. 314.) This rule against holding two jobs, on account of its tendency to drive small employers to hiring non-unionists, probably does not exist, or is not enforced, where small concerns the union

The Unionist Objection to Contract Work, especially subcontracting, rests on its tendency to overdrive men, and thus to lower wages per amount done. Where the subcontractor works as a foreman, he gains in profit all the extra work he

wishes to retain have good chance of success, and hence where employers have any reason of consequence for breaking the rule. That a union shop must employ all the time of at least one union man, the employer himself if no other, is reasonable, since if the concern is too weak for that it has no right to the standing of unionism. The same may be said of the rule that employment shall last, or be paid for, to the extent of at least one full day.

Why Unionism Opposes the Small Employer. The union rule in some Chicago building trades, that but one or two members of a firm shall do a journeyman's work, is made to keep workers from uniting as partners and thus taking with cut prices contracts that would otherwise go to employers paying high union wages. Where the small concern can compete, wages may be lowered in this way. In Great Britain many sweat-ed trades, including hand manufacture of furniture, nails, and chains, are largely in the hands of small employers, working long days, in bad quarters, paying starvation wages, and eking out a miserable living themselves. As these small masters, doing much of their own work and driving their few employees, are so numerous as to set prices and wages in some branches of different industries, effective unionism in these branches is impossible. They take the trade of other employers that would be able and willing to grant living wages and conditions. Hence there is good reason for the British unionist's dislike of the "garret master." But in America, under the high wages journeymen can earn, and under the high quality and low cost production of large factories, small concerns capable of competing with the high grade employers paying union wages are rarely started by journeymen that would follow a policy of price cutting; while generally the small concerns that do get custom by price cutting turn out work of a quality as low as the price, and are not sufficiently numerous to trouble the union materially. Outside of the few trades in which the union maintains artificial and monopolistic conditions, there is no strong temptation for a capable working employer to use his opportunity of breaking union rules; and hence unionists do not regard with disfavor the starting of union shops by journeymen. The complaint that unionism discourages efforts to rise is in no way proved by their just opposition to the garret master's scab shop. It is not only taking unfair advantage of employers and of workers in the trade to break union rules that are reasonable, but it is also poor policy with one who is capable. As to the incapable, unless they meet a public want by doing a separate grade of cheap work that the union rate is too high for, they not only fail to rise themselves by starting small shops, but have a tendency to pull down others. The cigar makers' unions were not sorry that their raising of wages between 1880 and 1895 drove many small employers out of business, as their work fell to larger shops affording good wages and

can get from his men. As time wages are based on the average amount done by the average man, workmen are just as reasonable when they object to doing more, as employers are when they object to accepting less. Yet it is the varying capacity, varying willingness, and varying trustworthiness of men, especially of common laborers, and the accompanying uncertainty, that upholds the contract system. As its estimates of cost often involve much guess work, its risks of charging too much or too little, and of slighting quality in the latter case, would undoubtedly lead persons now letting contracts to a general preference for work by the day, under superintendents on salary, if experience did not prove that under such day work too little is liable to be done, and that thus the payer of wages is liable to be imposed upon. The objection of workmen to the contract system is seriously weakened by the fact that in employment by the day for cities, at wages higher than private employers would pay for a good output of work of its kind, men often do a low average of work in quantity and value, partly perhaps because desire to win the

conditions; but the change went too far, and a great trust arose, which now opposes the union formidably.

Other Reasonable Rules. In desiring abolition by law of manufacturing for market in homes (Chapter XVIII.), garment workers' unions ask what would be unconstitutional and tyrannous, but it is reasonable for them to refuse, as they do at some places, to let a member work in his home, and for them to moderately oppose home work as injurious to unionism. Ignorance of market conditions, and separation from the will-stiffening force of association with one's fellows makes home workers almost sure, in their separate bargaining with the shrewd and unscrupulous employer, to yield to him, falling under sweating themselves and exposing all to it, by promising work too soon and toiling overtime, by taking piece rates too low, and by furnishing thread, space, light, and heat. Also, unions need jealously to watch the fines commonly imposed on employees in textile mills and in stores for bad work. These, now decreasing, may be proper, like company stores, but may be used to covertly lower wages. Many employers avoid temptation and avert suspicion by having all fines to go to the employees' aid fund. There are many ways of lowering pay. The recent contest in Pennsylvania as to whether the bridle was a part of the harness may not have been foolish. An extra duty is important when it may become permanent. Railroad men need to demand more pay when engines become larger and trains longer. Car fare and walking time are important to building workmen in large cities.

favor of laborers as voters leads to the hiring of inefficient men and to lax superintendence. The emphasis placed on quality of work by wage earners opposing the contract system, as by those opposing piece work, is beside the point when not readily agreed with by the man who does the paying. He must be allowed to decide which quality he prefers at the price, and whether to take the chances of being imposed on by workmen he might hire directly or by a contractor.

The Solid Basis of Contracting. The fact is that the contract system rests on a basis no less solid than the necessity of allowing the employer his profits. The man letting the contract for erecting a house is not a professional builder, and has no time to spare if he were. He is glad to pay a responsible contractor any profits set by competitive bidding, since the excess of these profits over the salary he would need to pay a capable superintendent, to direct workers he might hire directly by the day, would be a reasonable payment for his avoidance of risk from the superintendent's mistakes in buying and planning; and from the latter's neglect to do good work himself or to secure it from the others. Without a contractor the work is too far removed from the eye of the master. As the buyer of labor he needs to see what he is getting, for the same reason that the buyer of goods shipped in needs to check them over by the invoice. The clamor of wage earners for day work from cities, instead of contract work, involves clearly, but perhaps unconsciously, a desire as a voter, with political influence, to stand in the place of the employer and hire one's self as an employee, but with the money of other people—the taxpayers.¹

¹Where Day Work for the City is Best. In many cases the city's superintendents do really serve the people as a whole, not simply its own employees, and thus have an employer actually present. Superintendents that are masters of the kind of work done may save for the city, from the contractor's profits, more than a fair allowance for the risk the city bears in buying and hiring, and may not incur much more cost in superintending direct workers than would be required to secure honest construction from a contractor. Wherever the city can thus secure unquestionably better net value, it ought of course to do so. There is good reason for the fact that the contract system is more troublesome with public than with private work, since the public body lacks the individual's freedom to reject the lowest bid, and to pick out the bidder deemed most reliable, and since such a body does not spend its own money. It is difficult to overcome a con-

Here is the same fatal flaw that there is in self-hiring coöperation (page 85), and that there *would* be (but never *will* be very long before the break-down) in a socialism ruled by workers producing less market value than each hopes to get, by means of sharing directly the larger product of others more capable, in addition to the present and only possible sharing of such product through increase of capital and lowering of prices to consumers. The same flaw of adverse interest is recognized in the illegality of a partner's buying things from himself for his firm.

As to the Lowering of Market Wages by the Contract System,¹ no reason appears why a contractor or a subcontractor regularly in the business, and needing good men for the future, would drive them any more than other employers, every one of whom gains at the day rate all the extra work he can exact. Competitive bidding lowers income from which to pay wages, but so it does in all trades doing job work to order, and falling prices may lower it still more in trades selling from stock. Such lowering of prices, by men capable of conducting business, increases customers, sales, aggregate profit, and supply of goods to society, besides increasing employment, and hence raise wages.

tractor's unreliability or dishonesty by enforcing his bond. In public business justice to the taxpayers and all requires great fidelity in officials, and high civic virtue in voters. The difficulty here, doubtless never to be fully overcome, reveals the impossibility of any approach to complete socialism. (See Chapter V. of the author's book, "The Trusts and the Tariff.")

¹**Market Wages**, not *artificially high* wages paid by the city, which are not expected from private employers, and hence are lowered of course when the work passes from the city to a contractor, or only the efficient are hired.

Unionism's Higher Value of Work for Higher Wages. If the contractor paying union wages cannot prove an excess of net value balancing the excess in his bid, if the latter excess is necessary, there is a lack of unionism's superiority of service, usually true of quantity and quality together, as fixing product value. It is by this superiority that unionism is mainly justified, its claim being that value for value its product costs the less. But this claim seems not to be made in the case of the sweated, and of such unskilled laborers as the employees of cities, who are chiefly concerned in the contract controversy, and whose unionism is necessarily weak against the mass of outsiders fitted to take their places. With these laborers the appeal for more pay rests less on market value of work than on the living wage principle. (Chapters XII. and XV.) Perhaps there will always be a tendency to bestow charity by raising the wages of public

The subcontractor is close to his men, and gets all his dues, but no more so than the thousands of other small employers, many of whom, in dealing with employees, are very careful to be just, knowing from experience in their position where they deserve kindly consideration, as well as where they need sharp watching. Wage earners should try of course to avoid being sweated, but should not try so far as to object to being under the employer's eye. It seems to be overlooked that the disappearance of the small employer, whose tendency to drive and to lengthen the day is especially mistrusted by Mr. Webb, was the reason for the rise of trade unionism at first, because the change to large industries deprived workers of their position of equality with their employer, which equality is ordinarily an advantage to them, overbalancing his knowledge of what they are doing and can be made to do. Among skilled workmen close oversight is not very important, because under high wages men who do not habitually do a fair day's work are soon weeded out of a trade. Effort to drive unionists beyond the

employees, though others capable of self-support can never hope for pay of any consequence above market value of work done. (Chapters VI, and XIV.)

The Law of California and of other commonwealths, notably those of Australia, that city work may not be done by contract, seems unconstitutional by the New York decision (Chapter XIX.) that in local affairs the city is not the agent of the legislature, but is independent, like a private corporation, and cannot be required by the legislature to waste taxpayers' money. No reason for such a law appears except to favor workers with hidden charity by preventing the city from doing the best for itself. If the city's officials will let contractors impose on it, they will let workers do so too. If contractors sweat workers, the little work the city has done will not help many of them, but will tend to pauperize the class by inducing them to relax self-reliance and sink deeper into helplessness. (Chapters XV. and XVIII.)

Contracting Does Not Lower but Raises Wages. As it was the rise of employers that chiefly made civilization, bringing inventions, and immeasurably increasing employment, raising wages, and multiplying goods, so the contractor, instead of taking his profits from his men's wages, increases employment and pay by doubling the amount of building that would be done if people had to take their chances with men hired directly. And whatever disadvantage to workers there is in contracting, each can escape for himself. By proving that he needs no watching, each can get in extra wages what is withheld from others to pay for oversight.

just speed contemplated in the contract would usually be unprofitable, provoking their resentment. This is probably true of *any* workers, including unskilled city laborers, who obviously are doing their full duty. The workman who, by reason of faithfulness and intelligent efficiency, proves that he needs no close superintendence, will rarely be troubled by driving or by too much watching. Not many employers or foremen are so short-sighted as needlessly to provoke ill will from their men. This means that for workers who make any reasonable effort to look out for themselves, by keeping informed as to other employment in reach, the complaint against the contractor is practically groundless. The only class liable to be imposed upon by the contractor are the ignorant and helpless sweated, who, being able neither to sell labor nor to buy goods, must be protected in many ways by the state, and with all it can do for them they are sure to suffer until educated up to the plane of manly self-direction.

Striking Against an Obnoxious Foreman would seem to be allowable if he were trying to undermine the union, or if he were given to unfair dealing. The union's shop chairman, a workman whose official duty it is to see that all union rules are observed, could not spare time, especially if he were on piece work, to be constantly watching the foreman and investigating the complaints of the men; while hiring a walking delegate, to give all his time to such investigation, and to collecting dues, would ordinarily be too expensive to the local union unless its membership were large. Though the men and the chairman might be too ready to assert the authority of the union, and might make it a very disagreeable force, yet to strike for the discharge of a foreman believed to be preparing to rat the shop might be necessary to save the men and the union from serious loss. To promote peace, an employer usually tries to have a foreman satisfactory to his men. To strike for reinstatement of a foreman, sometimes done when he is believed to have been discharged for his unionism, seems difficult to justify. His duty is to look out for the employer, others being present to look out for themselves and for the union. If he did not fulfill this duty, the employer would not be represented. A customer

might as well desire to measure goods for himself in a store, with no salesman near. It is wrong for the foreman to do for the men any more than bare justice. Only the employer himself has the right to be generous. Special friendship from the men toward the foreman, the employer might reasonably mistrust. In view of these facts a union striking on other grievances provides sometimes that the foreman is to remain on duty. For the same reason some unions do not admit foremen to active membership, and perhaps any or most of them would permit a foreman to be a non-member if he did none of the work of ordinary journeymen.¹ Yet to avoid gradual expulsion of a union from a shop, it seems proper to insist on retention of men other than the foreman who are objected to solely because of a unionism that is not immoderate or pestiferous.

The Employer's Right to Manage His Own Business is often asserted, under the influence of old notions of obedience, as a truth too plain to be discussed. Yet on a moment's thought it is obvious that any regulation affecting the pay, the hours, the speed, the fellow workmen, or the service in any

¹In regard to foremen, as in other matters, unions in the building trades of large cities exert their monopoly power. As to foremen who are free to hire or discharge, a walking delegate, who had authority over foremen in this respect, said to M. G. Cunniff—"Don't want 'em; they couldn't serve us and serve the boss too." (*World's Work*, Sept. 1902.) The employers' association of New York plasterers recently enforced a lockout against the union's demand for the right to appoint foremen, and for increase of pay from \$4.50 to \$5 a day. Evidently W. A. Wyckoff, who has closely studied the workers of many states, was correct when he said, "Undoubtedly trades unions of a certain type are seriously reactionary and obstructive in policy."

In the reasonable stonemasons' union, and in Chicago, where union absurdities were abolished by the lockout of 1900, the agreement with the employers' association makes the foreman the employer's agent, not subject to union rules or fines. The steward on each job is the union's agent. In unions generally the employer and foreman may discharge any one for any reason but the chairman, who must be protected from discharge, except for good cause, or his representing of the union might be valueless. The union's hiring of a walking delegate arose from discharge and blacklisting of grievance committees. The employer's dislike for him arose from loss of previous absolutism, from the unpleasantness of complaints backed by power, and from the overbearing attitude of many walking delegates.

way, is just as much the business of the employee, who is the other party to the contract. It is the employee's right and duty, especially in view of the little concern felt for him in this age by the employer, to watch the conditions of the business as well as he can, and to see that he gets all the money and advantages it can be made to yield. Apart from the moral right of a suitable employee to his position, the union's partnership in the employer's business is real and is recognized, to the extent that in order to keep his men he must allow them a considerable share in saying how it shall be carried on. This relation of partnership is becoming important in the development of collective bargaining.

To Resist Introduction of Machinery, by refusal to work if machines are admitted to displace hand workers, comes within the employee's right to determine on what conditions he will enter or continue in the wage contract. But few workmen are now so short-sighted as to make an attempt so hopeless. If use of a machine cheapens a product considerably, the progressive employer, drawn forward by the profit to be secured, will find men to work it, and unionists must accept the new conditions, or be displaced from the leading shops. Most unionists know that society's present supply of useful things is possible only with machinery—that without it the present population could not live as civilized people, and that only by use of more and better machinery can the supplies we now enjoy be increased and cheapened. In cotton manufacturing, which for a century has been done in England wholly with machinery, the Lancashire unions encourage improvements, knowing that upon prompt adoption of them depends the life of the industry on which they live. They charge higher piece rates on old machines, because with them the operative cannot get so much done; and with their experts at hand to bargain for them to advantage, they willingly lower the piece rates for new machines that will do more work.¹

¹**The First Machines in a Trade** have been generally and very naturally accepted with reluctance or resistance, ever since the breaking of the earliest textile machines by mobs of displaced hand workers. Of opposition to use of machinery, common with British unions before 1860, not a trace

The Contention Over Rate Changes Necessitated by Use of New Machines is sometimes thought by outsiders, perhaps, to be resistance to use of the machines themselves. Except in

was found by the Royal Commission on Labor in 1894. The latest strike against it was a futile one by Liverpool packing case makers in 1886. They have since found that use of machinery has increased their employment, their employers' sales being enlarged by the lower prices the machinery makes possible. The members of several old-fashioned trade clubs of Sheffield still refuse to operate machines, but other workers operate them as new trades. (Webb, "Industrial Democracy," 1897, page 395.) These statements do not harmonize with those in the late magazine articles quoted further on in this chapter. In England the makers of hand-made paper, and the makers of hand-made shoes, allowing the use of machinery to become a new trade, and not attempting to compete with it, raised their wages by raising the quality and prices of the hand-made products, and though few in number they are now more prosperous than ever before.

Opposition of American Unionists to Machinery. In 1896 a court stopped by injunction a boycott by the coopers' union of a firm at Kansas City using new machines to hoop barrels. (*U. S. Labor Bulletin* No. 7.) One branch of cigar makers still refuse to admit machine workers to their union. Both the coopers and iron molders followed the same policy up to 1899. Stone cutters prevent the use of stone planing machines wherever they can. Plumbers have desired to stop the growing use of machine-made articles that they formerly made by hand. Plate printers, always opposed to introduction of steam presses, have so far kept them out of the government bureau at Washington, the largest plate printing office in the country. Flint glass workers proposed several years ago to manufacturers that a new invention then perfected be bought up and eliminated, and that price of lamp chimneys be raised to pay the cost. The union here had monopoly power, and the manufacturers also, the latter by combining behind the tariff. Hat making machines have been lying idle, because nobody will operate them, in the strongly unionized city of Danbury, Conn. Political opposition by unionists to the introduction of type-setting machines in the government printing office at Washington has recently been mentioned in newspapers. But in private employment the typographical union, by cooperating with employers in introducing type-setting machines, instead of vainly trying to prevent the change, raised the wages and shortened the day for its skilled men chosen as machine operators. The lithographers' union not long ago ceased opposing the use of aluminum plates. Full information concerning the policies of American unions is given in the Industrial Commission's Report, 1900-1902. See also issues of *World's Work* and *Atlantic Monthly* for the latter part of 1902.

The Most Intelligent Union, the International Typographical, despite its good record in admitting machines, still refuses to permit one office to use type set, or stereotype matrices made, in another office. No doubt the reason for this rule's survival is that to few employers has it been a matter

such cases as those mentioned in the note below, the question is not *whether* the new machine shall be used, but on *what terms* for the workers. In England, from rapid introduction of new machines, the shoe industry has endured much turmoil in recent years, mainly because employers have hired many boys, and have insisted on time work, fearing that earnings by piece work would be too high on the fast machines. This industry, in large factories, is a new one in England, and peaceful bargaining fair to both sides, like that of the old established cotton industry, has been above the moral capacity of those concerned. The factory owner has wanted all the income except wages for bare subsistence, and the operatives have wanted all except enough to cover bare interest.¹

Such Discord is a Blight on Industry, threatening both sides with ruin. Employers and workmen thus moved by unreasoning selfishness are like barbarous tribes fighting for mastery. In this democratic age, mastery by either side in the wage contract destroys the efficiency of the other side. The zeal necessary for success requires bargaining equality. Wherever a union of skilled men, to retain or make work for themselves, require a machine to be operated at less than full capacity, or by skilled men where cheap laborers would answer as well, or at wages raised so high as to neutralize the machine's advantages—they are levying a monopoly tax on the employer and on society, and are forcing a sale of their labor where it is not wanted. All these offenses, on a large scale, have been repeatedly charged of late against some powerful British unions, and have been indulged in to some extent by strong unions in America. For work with new machines it is right to put wages as high as natural market conditions will permit,

of consequence. On the same principle, a newspaper's writers might object to its use of the mass of matter written once but used the same day in many cities, or freight handlers might require the moving of goods from one car to another instead of the mere switching of the car itself. So far as the rule has made work for printers, that work was a social waste, increasing cost, and lessening the total of goods, wages, and employment. In 1894, at Newark, N. J., an injunction saved a newspaper from imminent ruin by a trades council boycott against use of plate matter, without which thousands of small papers would not exist, or would be smaller in size and circulation.

¹Webb, 398.

and it is right also to object to a speed so rapid as to endanger the operative's health; but it is utterly indefensible, and generally futile as well, for the union to attempt to prescribe by whom the new machines shall be operated. Yet in partial excuse of the injustice in unionism to-day, it must be said that New England manufacturers as a class sinned grievously in the earlier days when unionism was weak, by speeding new machines remorselessly, by unfair methods of piece work and of pace setting, and by wholesale blacklisting for unionism's suppression.¹

Monopoly of a Trade. The idea of rightfully possessing a monopoly of a trade, an idea that is strong in some skilled workers of Great Britain, has descended from the time of the monopoly guilds. It is felt that persons who have not served an apprenticeship are "illegal men," although, with new machines, their work may be nearly as good as that of skilled men at double their pay. The cost of a trade in years of poorly paid apprenticeship, like the cost of a physician's education, is reason for contending for liberal charges,² and for looking with disfavor on attempts by others to do the skilled work, but not for trying to force skilled work on people who would rather buy the unskilled. It may be well to have laws for preventing quacks from practicing medicine, because such practicing endangers life, and because the public cannot at once distinguish real medical skill from spurious. But in modern times, as to nearly all services and commodities, people are best served, at lowest cost, and character is best developed, both in

¹Brooks, "The Social Unrest," 35.

²**Labor and Value.** But only by limiting supply of the service does this cost of education enable men to collect the high charges. Willingness to pay is influenced by prevailing opinion of what is proper, which opinion the interested parties, especially a united body of professional men of social standing, may mold to a considerable extent in their own favor. But after all, the high charges, and the opinion of what is proper, rest on people's demand for the service, and on the lack, among men willing to take less, or men unable to go idle rather than cut a price, of the talent required to render it. Social notions of what is proper, though powerful in the realm of fads, set prices in a very small part of the world's business. The amount of labor fixes charges in such cases as that of work done to order without a previously set price; but here no more such work will be ordered if buyers consider it not worth its cost. (Page 62.)

buyer and in seller, by allowing each to buy what he wants, of quality good or bad. He is or ought to be the best judge who does the paying. The best helping by the public in the matter is to give him the intelligence to take care of himself. He cannot always be watched, to be kept from harm. Society is naturally and properly glad when dear things become cheap—when difficult work becomes so easy that anybody can do it. What greater blessing could come than that the whole class of doctors and apothecaries should lose their jobs, because no longer needed? The case is the same with machinists, and with the many other groups of workers that get high pay because their capacity is scarce, while society is in straits and must have their services. Workers among these, whose monopoly society is released from by progress, will still have plenty to do. With all that has been achieved by invention to save labor, and to utilize the unskilled, whose need as well as their cheapness gives them the best right to preference in any positions they can fill, there is still enough necessity for work to keep life a struggle. New wants and new industries have appeared faster than machinery has released men from old ones, raising wages steadily during the last sixty years. Moreover, in tenaciously guarding a skilled trade, special privileges denied to others are assumed by the many unionists who, when idle by reason of a strike or of depression, take work in the occupations of the unskilled. With the unionist's general capacity, his acceptance of the unskilled man's low pay may be as much a cutting of rates as the latter's doing of skilled work at the best rate his capacity will bring.¹

1Did Unionism Put British Industry Behind? The following is an excerpt from a widely copied article written in 1900 by the London correspondent of the *New York Sun*: "Even now the chief cause of American success is not recognized except in the engineers' trades, and there British manufacturers are unable to cope with it. The fatal handicap of the British employer is the arbitrary restriction of the trade unions, which, aside from hours of labor, limit to an absurd extent the amount of work which men and machines shall do. The effect is to make labor, when measured by actual accomplishment, instead of by daily wages, far more expensive in England than anywhere else in the world. It will be a long time before British workmen realize the suicidal nature of their policy. English firms cannot deliver goods within a reasonable time, and at prices within twenty per

To be Regretted Rather Than Censured, however, must be predicated of the short-sightedness and injustice described in the notes below. It may be assumed that these unions meant

cent of American quotations. America's superior natural advantages account for only perhaps ten per cent of the British handicap."

Can These Charges be True? It must be a one-sided view of British unionism that Benjamin Taylor gives in the *North American Review* of August, 1901. If other nations were anything like equally capable, the pre-eminence of British exportation of manufactures would have passed away long ago if British workmen in general wasted time like those Mr. Taylor mentions. He tells, among many similar cases, of a Swiss laborer just arrived who made fifty cartridge boxes in a day where unionists had previously limited themselves to eight; of unions destroying all advantage in new machinery by insisting that the simplest machines be operated, one at a time, by highly paid union men, instead of by cheap laborers who turn out more work with them and as good in quality; of glass industries that were taken away from England by Germans and Belgians whose employees did not idle openly. A similar statement of ruinous waste of capacity of men and machines in England is given by F. A. Vanderlip in *Scribner's Magazine* for March, 1902. He says that at a meeting of leading business men he attended in England all agreed that the effect of unionism there is to lead men to do the least possible amount of work, and to oppose introduction of new machinery. Also, an article by Frederick Emory, in *Popular Science Monthly* for April, 1902, gives accounts of incredible waste of time by British unionists. Machinists opposing new machines fight their own trade.

Bad Customs Have Grown Up. In an article in the *Nineteenth Century* for January, 1902, J. G. Hutchinson, a British workingman, admits that there is a "go-easy" policy in some unions, and that there is considerable truth in the charge that an unwritten law of unions fosters giving less in work than the employer might reasonably expect to receive. He says employers have been at fault in permitting such customs to arise; that they should buy the best machinery, put it at first in the hands of loyal men, of whom there are many in the unions, to determine its proper output (not to try to make it a failure), and then by discretion in management get its full product afterward. Stronger evidence of bad customs is given in *Engineering Magazine*, Aug. 1902, by T. Good, an English union workman of varied experience. He says: "That this go-easy policy is in extensive operation in many industries, that it has a demoralizing influence upon workmen, and that it materially affects the larger problem of foreign competition, I freely admit." The main cause, he says, lies in the wide separation of employer and men, affairs being left to foremen who are so ruled by favoritism, and by various kinds of bribes from workmen, that in some shops nine-tenths of the promotions do not go to the fittest. To induce men to rise above the dead line of mediocrity there is also needed, he says, care to insure that each is paid according to the amount of work he does. (Page 265.) John F. Fraser, an apparently capable judge who visited America and investigated,

well. Realizing that eternal vigilance and struggle are the price of a union's liberty and progress, they made the mistake of trying to save themselves by selfishly beating back society's forward reach for more abundant supplies (thus exploiting

says the British workman is superior to the American (he knows his trade better), but that the American employer, making a business for himself, is greatly superior to the British employer, who depends on the reputation made by his grandfather. (*Nineteenth Century*, March, 1903.) George Lynch, one of the Mosely party, says the American employer is far more accessible to his men, rewarding, not resenting, suggestions. (*Outlook*, Jan. 10.)

The Fallacies Involved. Perhaps it is the wide separation of American workingmen from the old monopoly guild system which enables the great majority of them to accept so willingly the fact that progress for all, in high wages and in cheap goods, consists in getting the largest product, with the least labor that will answer. Most consumers get few enough goods at best. Trying to avoid doing too much may arise also from experience with efforts by employers to take advantage of men, as well as from the mischievous fallacy that full work by one takes employment away from another (page 270). Inflow of better and cheaper American goods under British free trade, and a change by British employers from their usual conservatism to the activity required by present exigencies, are fast bringing British workmen to sound ideas. This is noticeable in the workmen's articles referred to above, in the articles by British employers and workmen in the *Engineering Magazine* for January, 1901, and especially in the teachable attitude of the two dozen British unionists brought over by Alfred Mosely in 1902 to study American methods. (*World's Work* and *Outlook*, Dec. 1902, Jan. 1903.) In view of the fact that many British industries still hold their lead, with present totals of British exports that have been equalled but once before, it seems that the above accounts of extremes in unionism must apply to but a small portion of British industry. By Clement Edwards, in the *Contemporary Review* for January, 1902, all the charges are flatly denied; and in the Mosely articles just referred to it is shown that the accounts of American bricklayers doing in England twice and three times the usual stint there do not compare work of the same grade of difficulty. British workmen and subcontractors in 1901 on the Westinghouse plant in Manchester—under high American wages, and under resourceful American employers that planned well and tolerated no quibbling—soon reached the American speed of work and were well contented with it. Moreover, there is another side to the question of rushing work. (See Chapter XVI.)

American Steel Workers and Labor Saving Devices. In connection with the strike in 1901 of the steel workers in the Pittsburgh district, it was said that the non-union mills had taken the lead, by adopting labor-saving devices forbidden by the union in mills it controlled. "A few years ago the Amalgamated Association withdrew its objection to labor-saving devices, but it was too late. The organization mills had been left behind in the march of improvement when the arbitrary practices were in vogue."

the consumers charged higher prices and the unskilled shut out from employment), instead of by turning the skill of their men to serve society in cheerful coöperation toward improvement. Their power had probably become too great, and they gave way, perhaps, to the temptation to be despotic. But retribution came to the offenders, and deliverance to those offended against. The great strike in 1897 by the powerful union of British machinists, for an eight-hour day, was a failure, and in settlement the employers exacted the right to introduce machines at will, to say by whom they should be run and to pass on the adequacy of their output, and otherwise to follow the American practice of getting trade and increasing employment by producing at lowest possible cost per item of product.¹

In This Costly Way Society's Progress Has Come. The final results of all this trouble will doubtless be the clearing away of unsound ideas from British unionism, and the placing of British industry on a safer basis—on that basis of full freedom to progress, which has placed American industry first. During the last several years, it is said, the head officials

'Losses by the British Engineers' Strike of 1897. Perhaps in this case the union reached the impassable barrier of natural law. Perhaps, under the many restrictions set, the men's labor was not worth to the employers the pay demanded. British manufacturers may have been unable to meet the union's terms and still earn profits worth their trouble and risk, from world market prices fixed by manufacturers paying lower wages and working more hours in Germany, or using cheaper raw materials in America. The union made deep inroads upon its funds, and weakened its hold upon the favor of the people, who felt that British industry was already in a serious struggle with more favorably situated foreign competition. By the strike the employers, being delayed with orders previously taken at low prices, were unable to reap their large share of the harvest of profitable business that ripened in 1898 and the three years following; while previous buyers of British machinery were pleased with the improved styles and quick delivery of new purchases of American machinery, which will hereafter displace the British product to a large extent in many lands. The near results of the strike were therefore calamitous for all concerned.

How American Unionism is Learning. "Given a good deal more of stern, sound, knowing criticism, and I believe we shall escape the killing effects on industry charged to trade unionism in England. . . . Our labor has its violence, and its passions, and its absurdities; but it can learn. It has learned. I have heard the big leaders talk well about the evils of trade unionism over there, and there is a sentiment well spread in the ranks that real dangers exist, which have always hurt business and reacted upon

of the Amalgamated Engineers have been warning their local unions against limitation of output. Moreover, without the strike America would sooner or later have gained a foothold in Britain's foreign markets. The engineers' union found that exercise of monopoly power in this age is dangerous to its possessors, as well as injurious to those exploited; and that to hold its position among progressive people a union must do what it claims to do—make its offering of labor worth more to the employer, and by his own estimate, than the labor offered by others. Despite the success of some trusts, people will not now submit long to a private tax that can individually be avoided. They will buy the non-unionist's labor if it suits them best. Even the wasteful demarcation disputes¹ of British unions are probably necessary stepping stones to higher things.

labor." (Ralph M. Easley, *McClure's Magazine*, Oct. 1902.) It is because the truth itself is essential to the progress all classes desire, as indicated at the beginning of the above quotation, that the author of this book, so far as by his best efforts the truth is found, cries aloud and spares not, either worker or employer whose claims are untenable.

¹Which Trade Shall Take the Work? These are disputes over the line where the work of one trade ends, and that of another trade begins. In shipbuilding the question has been over which pipes should be set by plumbers, and which by machinists. It arises in the many cases, in various industries, in which something new is introduced, such as terra cotta trimmings on brick buildings, or such as a machine doing an entirely new kind of work. The tenacity of British unionists in these matters does not spring from greed, but from loyalty to the union, and especially from the old guild notions of a trade's *vested rights*. There have been cases in which a demarcation strike affecting a few men has brought months of idleness to the great shipbuilding industry of the Tyne.

The Employer to Decide. Webb's answer to the question here is for the different unions concerned to agree on a price for each new kind of work, and then let the employer assign it to the trade he chooses. If his selection is forced in favor of a trade having the higher rate, according to the union policy of getting all in reach for the working class, there is pretty sure to be exploitation of him or his customers by union monopoly. The same seems to be true if for new work, not specially difficult, a rate is made higher than that of the unionists by whom the work is done; though for them to use the opportunity and raise their regular rate would be proper. Everywhere a union necessarily objects to having men from other departments of the shop come into its department and do its work, since they are to it non-unionists, though members of unions of their own. There is not much trouble here with customary work, since a process naturally settles to those doing it

Much of the progress of humanity has come from things largely evil, such as wars, conquests, and persecutions, as the wisdom of an individual comes from costly mistakes. Unions of workingmen, long hindered and fought instead of helped by the educated classes, are as excusable for permitting evils as are great churches and governments. As set forth in the

best; and no occasion for offense except when in emergency one department lacks men. After due effort and waiting to secure men of the proper trade, its union would probably permit others to do the work at its regular rate, especially if they were unionists too, and had a rate of their own fully as high. But with any work not already found by experience to be done best by one particular trade, the party to determine which trade should have it is of course the employer, the buyer of the service, who does the paying, and who alone has any right to pass on the question as to which trade renders the best value for the cost. A bicycle mender declines to repair a watch, not because it would be dishonorable for him thus to take work from another trade, but because the watch repairer will be found by the owner to be far more suitable for the job. The laws of some states forbidding all but licensed men to do plumbing are justified by the connection of such work with the public health, but in having such laws passed plumbers are chiefly moved no doubt by the monopoly motive of the guilds. Not a few similar laws have been set aside in America as unconstitutional, the claim as to public good being held to be but a pretext. Demarcation or jurisdiction strikes occur somewhat frequently in America in the building trades, and one of the most serious dangers of American unionism just now is the fighting between rival unions in the same trade, or for control of certain trade branches; but, as Levasseur points out, the great American corporations, as a rule, are so little under the power of unions that they would not tolerate wasteful contentions over trivial matters. The machinists' union has lost a number of railroad shops for what the companies deemed unreasonable objection to piece work. It was loss of shops, for its refusal to permit any piece work, that led the British machinists' union in 1892 to permit it on duplicate parts.

Some Union Excesses. Only in the monopolistic building trades could occur such things as the occasional tearing down and rebuilding of a small scab-made foundation because the other trades refuse to work on the job. In a late case in New York masons and electricians disputing as to which trade should put holes through walls were both paid full wages, though idle, while the central body decided the matter. In disputes between steam fitters and plumbers in Chicago before 1901, there were cases in which work was done and paid for twice, involving a delay of weeks. In New York 9,000 carpenters were out for nearly two months in 1903 on no grievance, but only because one union, the Brotherhood, tried and failed to crush out the other, the Amalgamated. For the time, building was paralyzed for all trades.

preceding chapters, unionism has to its credit a long array of achievements that proved as beneficial to society as to its own adherents.

Do Trade Unions Smother Ability and Encourage Mediocrity? That their influence tends to this deplorable result, believed to be true by many intelligent people, has doubtless some basis in fact. Besides the unionist objection to working too fast, explained before, there has undoubtedly been a tendency among the less capable workers to make up for their mediocrity with rabid unionism, and class feeling, and to regard the superior workers, especially when these try to save money and get ahead, with suspicion of a disposition to take the side of the employer, and of an intention to rise to his position without retaining sympathy for those left below. An influence of this envious feeling, which exists with the mediocre in perhaps every class not high, but is stronger among workmen, because the union exists mainly for those who have no hope of rising, is to confirm the poor workers in their inefficiency, and to check the advance of those of the capable who are not of decided character.

A Stronger Force for Leveling Up. But so far as there is here a leveling down, it is greatly overbalanced by a stronger force in unionism for leveling up. The latter force is the necessity, under high wages for union men, of doing better work than non-unionists that might be hired; of really earning the high wages to prevent employers paying them from failing, or from so raising prices, where that is possible, as to check consumption and diminish employment. Where one capable man is kept by loyalty to the union from making the most of himself, there are probably five who by the necessity of earning their union wages are constrained to attain a degree of skill they would not otherwise have sought.

Does Not Unionism Lead to Selection of the Fittest? High union wages, therefore, when the work required to earn them rises above mediocre capacity, force the inefficient into non-union shops, or into small towns without unions, and winnow steadily employed unionists down to a group of picked men. This just placing of men where they belong is undoubt-

edly a net result of unionism in all except perhaps the few cases in England where a small old union has a secure monopoly under employers who can exist without progress. Even in the unwholesome monopoly power of unions in the Chicago building trades, as they have shortened the day and raised wages the men have had to work harder and harder.¹ In practically all conditions in America, unionists must soon earn their high wages or lose their employment to non-unionists and to smaller towns. Hence, whatever may be said by unionists in censure of scabbing, and of some workmen's indifference to unionism, there is a safeguard to society in the usual inability of a union to organize its trade with any approach to the monopoly completeness that is unionism's ideal.²

The Union Rate is a Minimum, Not a Maximum. Opponents of unionism often assume the latter as an evidence of leveling down. Under piece work this question does not arise, each man earning all he can. Under time work the one rate generally prevails, and is usually fair to the fastest man where high efficiency is required to hold a position. The work is easy to him, while with the slowest man passing as competent it requires a continuous strain; and for each the one rate is

¹Spahr, "America's Working People," 178.

In the dull times of 1895 the bricklayers' union of Baltimore, in order to get any work, reduced its rate of \$4 for eight hours to \$3.60 for eight hours, and then to \$3 for nine hours, with eight on Saturday—the rate generally paid to non-union men. The next year the carpenters were driven to a similar expedient. (*U. S. Labor Bulletin* No. 7, page 727.)

²**The Danger in Excessive Power of Trade Unions** is so great that another note concerning it is permissible. Mr. Henry White, the able secretary of the garment makers' union, wrote in 1901 as follows: "As much importance as I attach to the labor movement, I am free to say that I would fear, in its present status, its ascendancy over society. Organizations feed upon power, for which they have an insatiable appetite." (J. P. Peters, "Labor and Capital," 88.) This view is only too well justified by the common tyranny of unions where they have the power. In connection with unionism's monopoly methods in apprenticeship and other matters, the judicially careful author of the Industrial Commission's Report, Vol. XVII., made this statement: "It is probable that the great body of the rank and file, and many of the leaders, would take any action which should seem likely to further their own interests." However, this is no more than capitalists do. The good result of excess in unscrupulous action by either class is that it settles law and custom for its complete prevention in the future.

higher than he could hope to obtain by any effort without a union. The fastest man's disadvantage in having the rate raised less for him by the union than for the slowest, is balanced by the former's being hired first and laid off last, and by his being assigned (when he is exceptional for quality as well as for speed) to those parts of the work which he prefers. The leveling here involved is no more perhaps than is necessary under time work in any case, or than prevails in trades not unionized. Where unions are unknown a group of men paid the same rate per day vary necessarily in efficiency within a considerable range, exact grading of pay to time work done being impracticable; and in any kind of action in association, so important in modern society, there is in the advantage to be secured a necessary leveling that falls short of strict justice for the member contributing most, and passes it for the member contributing least. But under the one union rate, in order to retain or properly remunerate an exceptionally capable man, the employer in many cases pays him a rate higher.¹ If given

'Time Wages Varying According to Efficiency. But usually the employer gives with the extra wages some slight promotion in position or in authority, or assigns the man to work of special difficulty. His extra pay is then based on a reason to which no one can object. For his work, on time wages, to differ from that of the others in quantity only might seem to keep their inferiority unpleasantly prominent—their lack either in natural capacity or in willingness to put forth effort. Tact in employer or foreman is required here by due consideration for men's feelings. Though not contrary to union rule, the practice of giving higher pay for more work has probably been less common than is required for the good of all parties concerned. That it has been a somewhat delicate matter, liable to cause jealousy, is indicated by a workingman's counsel that employers should *openly* pay specially good men higher wages, and by such reward develop the varying powers of all. (*Nineteenth Century*, Jan. 1902.) Mr. Vanderlip, in *Scribner's* for March, 1902, dwells on the blighting effect to British industry of a union rule of but one rate for all men. By paying a higher rate to all men on a certain class of work, and retaining none who cannot earn it, jealousy is avoided. This practice is not uncommon. In New York the *Herald*, *Tribune*, and *Journal* each pays printers \$30 a week, while the union scale is only \$27. If a general practice were established of paying differing time wages above the union minimum, according to clear differences in the men's average output, greater justice would be secured to employees, but not to the employer's advantage except so far as extra pay, drawing out fast men's capacity, secured better use of machinery. In this a measurement of output by piece work or by premium plans (page 100)

for his better work, and not to win him away from his unionism, this extra pay is in harmony with the union rule not to lower the rate by giving work of larger than the intended value. And in the union scale, for every little rise in position of the worker an addition is made to the minimum or standard rate. The union is not backward in charging all it can. The scale generally reads "not less than" the rate stated, the especial object of this language being to avoid lowering the wages of some who may already be receiving a rate higher.¹ The union leaves abundant opportunity for the able man to rise. While working among other men at the same pay, if he does not secure an increase he can (besides getting the finer and more varied work to do, and besides being retained through dull times) prepare himself for promotion to a place as assistant foreman, or can go to a larger city, where his higher skill will bring higher pay. Unionists look with fraternal favor on the advancement of a comrade into the higher walks of life, especially when he remains a friend of the working class, like the late Congressman Amos J. Cummings, who continued through life to keep in force his card as a member of the printers' union.² As to any workman's efforts to rise, typ-

is safer to the employer than a foreman's necessarily loose estimate as to whether differences of individual averages are being maintained.

¹The few small American unions, such as that of the German printers in some of its locals, which forbid receiving more than the prescribed rate, divide their members into first and second grades at differing rates of pay. The position of the German printers is exceptional. The fact that their industry is declining binds them together into a close monopolistic body, which cares for members with large benefits, and in some cases divides up work by allowing a man but five days a week. The stone cutters frown on a member receiving more than the regular rate, their claim being that he is then accepting blood money as a pace setter. In unions generally the regular rate is so high that very few get more. During the busy year 1902 a third of New York stereotypers received premium pay, but such pay, it was found by examination of pay rolls in many cities, is received by perhaps not over one per cent of men in building trades. (*Outlook*, March 21, 28, and May 31, 1903.) In 1893 Chicago lathers had one class at \$4 a day and another at \$3.50—reduced to \$3 and \$2.50 Dec. 1 of that year. A rule of New York plasterers has been not to allow any member to receive more than the one rate. Often bricklayers too forbid extra pay, fearing pace setting.

²One source of weakness to American unions is the constant loss of the abler officials by their rise to political and other positions, and by their

ical unionists are suspicious only where they have reason to believe he will selfishly help himself at the expense of unionism. Whatever its faults, unionism is free from individual selfishness. In its tendency to begrudge the employer his high profits, and to prevent any one from absorbing too large a share of the employment offered, the purpose in view is the welfare of wage workers as a class. It is in the other direction from personal selfishness that unionism errs, cultivating class feeling in some fields where individual effort would be better for the class as well as for the individual himself.¹

becoming small employers or entering professions. President Mitchell, of the United Mine Workers, has rested content with his salary of \$1,500 (lately raised), that he may do the great work that lies before him for unionism, instead of taking other positions his ability would command at treble that sum. He is probably held to his post by the knowledge that there is a temptation to offer him good positions in order to bribe him away from unionism. There would probably be no better way of overcoming the United Mine Workers.

¹The Socialistic Feeling Against Self-Advancement. So far as unionists really do not encourage the ambitious worker, who is the salt of a country's industrial population, their fault is probably due mainly to a hope of impossible future good for all together in some degree of socialism, brought about through united demand of the working class, instead of good secured chiefly by advancement of each individual for himself. This explains a feeling against self-advancement as disloyalty to the class. The aggregate influence of unsound ideas in unionism to encourage slow work, and to stifle personal ambition, is perhaps its chief weakness. Undoubtedly, on the less intelligent, such an influence does proceed from this socialistic hope, with its blindness to the differing values of men's labor, and also from the idea that there is only a fixed amount of work to be done. The necessity of avoiding extremes applies to unionism as to all else. Not enough unionism, in large industry, leaves each worker helpless before the employer. Too much unionism coddles the individual as socialism would do, reducing his ability to help either himself or his class, while exploiting consumers and outside workers for his benefit. Fortunately, more knowledge and experience among unionists, and especially reasonable recognition of unionism by employers, instead of relentless opposition, will prevent it from sacrificing all else for fighting power. It will then level up the lower as at present, and will not need to cling so closely to the abler.

When One Rises Does He Push Back Others? It is surprising how one-sided are the views of many of those inclined toward socialism, including some with acute minds. Writers persist in saying that the individual rising does so by pushing back his fellows (W. D. P. Bliss in "Labor and Capital," Putnam, 1902; J. A. Hobson, "The Social Problem," 138),

Unionism and Employment for Old Men. The efficiency required to earn at time rates the high wages set by unions, shuts out elderly men from employment. By the rules of bricklayers' unions (similar to the German printers' rule previously mentioned), the men at work on a job may permit a person partially incapacitated, by age or infirmity, to work for

while the fact is that by rising he benefits them most effectively—leaving for them his position, attaining influence he can exert for them, and producing more value with which to employ them and all others by spending in consumption or by saving as capital. It would be an insult to his honesty and to their intelligence to assume that he rises by cheating them. Otherwise he harms no one except the worker or dealer above him whose position or custom he takes, and these he really benefits eventually, since as he gives better values they are where they do not belong, and where they can remain only by the exploitation of keeping these better values away. In trying to hold a job one ought not to have, there is no satisfaction; and an active conscience will not let a merchant, whatever his need, charge ignorant buyers more than the regular price of competitors, while there is the same deterrent in fear of being found out. Fortunately, a practice of rendering value, either in quantity or quality, below the limit set by proper regard for the worker's health, the society of to-day as consumers will not permit very long. It is now realized that strength and talent are best conserved by wise use, not by nursing. In an age when society was far less virile it yet proved equal to this test, and when the forces making for exploitation by unionism were much stronger than at present. The mediæval guilds, though supported by the ruling landholders, who were glad to have their laborers shut out of the trades and of the towns, broke down because they tried to check improvement and cheapening of goods. (Hadley, "Economics," 369.) To every man according to people's desire for what he offers, is the essential principle of progress. A dead weight on it, aside from the moral discipline of giving, is the necessary evil of rendering in charity and helpfulness according to need.

The Christian Duty to Love One Another was the text of a preacher who on last Labor Day protested against as unchristian—as inciting each to get the better of his neighbor—the common practice of fanning the ambition of boys by telling them to rise by doing better work than others around them. It is true that a considerate or conscientious worker, though doing his best to improve, does not try to get another's position unless he knows that the latter, for unfitness or for other reason, is soon to lose it anyhow; and then he does not suggest the change, but asks for the vacancy when it is made by forces wholly apart from him. Usually he knows too little of the employer's intentions to consider whether a future vacancy comes from discharge of men or from additions to the force. With what the employer does his rising in fitness will have nothing to do, unless on the higher level there would be no others to be hired. Loving one's fellows, and keeping them in their jobs, by purposely remaining below them in

less than the full rate, like printers' two-thirders—young men who have not fully learned the trade, named from the proportion they receive of the full piece rate. But as a rule with unions, there is no such provision for the aged, since in most shops they would not be desired by the employer, and since allowing exceptions may undermine the rate. Displacement of elderly men, though often serious for them, is perhaps not a disadvantage to society. Besides their chance to save money while under high union wages, and to prepare for some other work to follow after leaving the trade, their experience is then useful in the shops of small towns having no unions, and their displacement leaves the rapid, skilled work to men in their prime, giving society the best and cheapest goods, and the most rapid progress in production. Of course, in union towns, old unionists would never think of weakening the union by working in scab shops; but in many towns work by them in some¹

fitness, would soon bring one to need of help for himself in an improving community; and if adopted as a policy by many would soon—by lessening employment, patronage, and supply of goods—bring all to the fellow feeling of poverty. The truth is that for superior men, taken from every grade of workers, there is unlimited need, in new work which, without them, it would not pay the employer to have done at all, and which, if done well, adds vastly to the employment and to the supplies of all. Such new work is ready for the lowest grade of unemployed incompetents whose efficiency is raised, and not, as Mr. Hobson claims, by displacement of others, unless the latter are where they do not belong and hence could do better in other work, perhaps in the new work considered. The amount of goods and of work desired is unlimited, not fixed; but to make one's labor worth a living wage and to get such a wage, one must learn or be taught to do what is wanted. The latter truth no reform can ever change. Yet society should do much more, by wise education, tenement laws, etc., to awaken desire and purpose in the poor, and to protect them. (Chapter XIX.) Not the least effort honestly made by the weakest need fail, in bettering both character and condition, for self and for society. The above exposition shows how unsound is Mr. Hobson's claim that successful effort for one's self "commonly involves ruthless trampling down of weak competitors," and that teaching such effort "is the most pernicious policy which has ever been dignified with the false title of morality."

¹In Brooklyn the shop work and small outside job work are done mainly by old carpenters, whom the union permits to work at \$3 a day, the full rate being \$3.60. The admirable agreement of the molder's union with Philadelphia employers leaves them free to agree on wages with young men of limited experience, the old or infirm, and the partially skilled.

kinds of small shops at low wages would not be considered scabbing. It is a tax on society, raising price and retarding progress, to hold back employment from those who are chosen because they render best values. For the less capable, whether by reason of age or otherwise, there is plenty of easier and commoner work, down to the lowest grades. In such work only can the latter serve society by turning out a product worth its wage cost. The charity of keeping a man in a position after he has become unsuitable is not hidden, and is about the same as other charity in its injury to character. Sound self-respect would lead an aged man to prefer the slower work and lower pay in which he rendered full value. The feeling of earning one's way may postpone far into the future the time of necessary retirement.¹

Have the Aged a Claim on the Employer? It is a mistake to feel that the aged have a claim on those employers to whom high union wages leave in average cases only necessary profit. Their payment of such wages leaves no kind of a pecuniary claim unsettled. An additional claim above wages is recognized and met, with servants and others, in communities where low money wages are supplemented with use of wood, pasture, and help in need. But it is in these communities that wage workers are thought of as faring worst. Wages there are near the subsistence line, and life is hard and coarse, as it was with feudalism and slavery, under which the ruling class made some sort of provision for the old age of the workers. The common complaint nowadays of fast work, and of the early aging of men, should probably be laid mainly against unionism. By raising wages very high it forces employers to require fast work, in order to keep cost of product below its selling price; and as keeping wages at the highest point takes all that marginal profits can bear, nothing is left to be paid later in the form of care for the disabled and the aged. The old system of low present wages, with guaranteed support, would be preferred by many employers. Under it workers are dependent and easily controlled. Steps toward a return to the old system are taken in the case of pensions and welfare institutions. Unionists are wise in choosing to take in wages now all that is coming to them. Only thus can they become independent, self-directed men. Responsibility for their own support in old age they are glad to take for the sake of liberty. Though a socialistic society guaranteeing support desired to allow each man liberty, and to pay him his full current product, it would be prevented from doing either by the necessity of keeping product large enough, and need small enough, for carrying out its promises. By no device will people ever get benefits in the future without paying for them in the present. Many fraternities that made great promises for the future in assessment life insurance, and offered great attractions for the present in low dues, have in due time come to grief.

Why is Unionism Not a Guarantee of Capability or Character? Because the effectiveness of the union depends upon its getting as members, as far as practicable, all the men in the trade, so that, for lack of non-unionists to hire, employers may be compelled to accept the union's terms. By publication of an applicant's name in the union's national organ, and by other inquiries, the local union seeks, for its own protection, to find if he has been guilty of ratting, or bears unremoved any disfavor from some other local union to which he may have belonged; but an applicant would not usually be rejected on account of his personal character unless its badness were of a nature hostile to the comradeship of unionism. The bad characters, such as drunkards, tramps, and libertines, are generally men who have been in the trade and the union for some time. Often their redeeming trait is ardent unionism, and devotion to its code of honor concerning fellow craftsmen. As to competency, most unions require an experience of three to five years in the trade, and all of them expect a man to be able to hold a position in a union shop. But as a rule the interpretation of competency is liberal to the applicant. In small union shops low competency will answer. Now if unions would take strict responsibility as to competency and character, admitting and retaining only those of proved desirableness, would there not be a change among employers from opposition against unionism to an attitude of friendliness? Such men they need above all else, and to get them they will go to the highest limit in wages. But there are better means for separating the sheep from the goats. The employer and his foreman are the best judges of competency. They find out easily if a man is desirable. Few men undertake work they are unfitted for. The union could not take the risks of internal discord involved in passing upon the qualifications of persons already members; while if grading were left to the employer his interest would be to put all in a class low and cheap. Those knowing themselves unable to hold positions in union shops seldom ask to join, since to keep the pledge they could not work elsewhere in a union town, while any one passably competent who was excluded might feel justified afterward in opposing the union actively.

But Employers Can Make Unionism a Proof of Desirableness, and their best friend in securing good workmen. When among employers there is a welcome for the union, instead of a desire to destroy it, good policy leads it not only to cease striking against non-members (page 208) but also to require high tests for admission. The railway brotherhoods can adhere to the engineers' well known policy of excluding men who drink (for this fault the engineers expelled 172 in one year), and of actively promoting temperance and reliability, because they know the companies will not employ the excluded men to break the union, but on the contrary will be won to its favor. On the same principles the stereotypers' union of New York city is not induced to admit every passable workman, so that there will be none to hire as non-unionists, but, giving applicants a permit to work, requires of them the conclusive test of first proving ability to hold a job in a union shop. Being formed at first on the proper interests of fellow workmen, this union won so nearly all the good men that all the employers desiring good work recognize it willingly, and hence all the good men are now drawn into it by the fact that no other employers pay good wages. Thus, without need of the compulsion in the power to strike, and in harmony, this union retains the favor both of the employers and of those who might have desired to be non-unionists.¹ (But good men had to join. *Outlook* article, June 13.)

¹**A Model Union** this one seems to be in some respects at least. A member coming on duty drunk is fined not less than \$10 (fines for injuring unionism with drunkenness and abusive language have long been the rule in good unions), and the shop chairman must report him, or he too is fined, to keep him impartial. Where two members while drunk damaged the plant, this union had the employer discharge them, furnished him two good men, and paid for the damage with fines collected from the two offenders in installments. Its president (*Outlook*, March 28, 1903) tells also of a case in which two of its men, at \$27 each per week, did the work previously done by three non-unionists at \$20 each; and of a case in which the carpenters' union won an employer's favor by a similar change from slow men at \$2.25 a day to fast men at \$3.50. However, it is unlikely that these gains are clear enough, or the union free enough from faults, or the employers willing enough to give up their old time autocracy, to enable many unions to succeed yet without a large measure of coercion of masters and men, backed by readiness to strike, or without

admission of all men passably competent. Some unions, such as that of the steam fitters in New York city, which subject applicants to a somewhat rigid examination, have probably so much power (having nearly all the workers as members and having agreements with employers) that men rejected cannot work at the trade in the locality. Such a degree of control by the union is uncommon.

Perfection in Unionism. A union must acquire some merit first, as employers could not be expected to recognize it in order to reform it, nor even to improve it unless its merits were already considerable. The more wise and just its policies, the nearer it can come to attracting all the good men, the higher the average rate its men can earn, (which rate will also attract and hold), and the greater the certainty that the employer cannot find others to equal them, and will not desire to do so. Competition among men for positions, cutting under the rate being no longer thought of, takes the form of raising the workers' quality, and unionists become a picked group, with even minimum conditions hard to reach. The fact that anybody can get casual work on the docks demoralizes London's unskilled labor as a whole. If higher wages had to be paid, there would be more regular work on the docks for an efficient group, as under unionism in Antwerp, and to get into that group those below it would try to improve. With wage rates thus fixed high for each trade, and with no thought of rate cutting employers would each select the best men, and surplus men left out would drop into the lower trades better suited to them, and so on down to the lowest grades. (Webb, 720). Also inability to compete by cutting pay and lowering conditions (owing to complete unionizing) would lead to selection of the best employers, methods and machinery, raising efficiency of all classes and promoting progress and rise of well-being. There would be little chance for employers that depend on low pay and on holding in a trade men belonging below it. With such reasonableness on both sides, strikes become rare, no picketing is needed or done and non-unionists are hardly thought of. Such is the rule with the unions in the British cotton and coal trades. The employer must take back the same workers, as no others suitable will accept their places, but all the employers must meet the same conditions, and the unions dare not injure the trade. The views in this paragraph, taken from Mr. Webb, seem to be sound, but need the additional discussion in Chapter XXVIII. The opposite effects of monopoly—in removing incentive to improve, in lowering capacity of employers and workers, and in narrowing the trade—result from rules by which British unions of glass and paper makers select the employee by rotation, and from such agreement between the union and employers that new concerns cannot be started.

CHAPTER XI.

LEARNING A TRADE.

Limitation of the Number of Apprentices—Old Customs.

This system, a foundation stone of the mediæval guilds, has been adopted and enforced, as far as practicable, by trade unions, in their efforts to retain the special rights of the skilled crafts. An effectual limitation has been maintained in England by small unions in trades existing at only one or a few cities, where the union still possesses, but little changed, the monopoly it had a century ago as a trade club, and which it and the employers had together in earlier times as a guild. Among the various grinders, forgers, etc., in the Sheffield cutlery industry, there are forty or fifty of these handicraft trades. They are recruited almost wholly from journeymen's sons, who in the days of the guilds had privileges over outside apprentices. The latter then gained advancement by marrying masters' daughters. The stonemason's trade also is now mainly recruited in England from journeymen's sons, who by the union rules must demand full pay as soon as they can earn it. Other apprentices are limited to one for each six or seven journeymen, and must serve from five to seven years. The boy is apprenticed to the journeyman mason who teaches him, not to the employer. In England there are still some cases of payment of money by a boy's father for his admission to a trade as an apprentice, usually in the form of a considerable payment to the journeyman who teaches him. Formerly such a payment to the employer was the rule, sometimes as much as £100; and is the rule now in the guilds of Austria. In some cases still in America, the employer is paid one or two hundred dollars for teaching a boy a business, such as photography, in which for a long time his work is of little value. Resting on the guild principle of guarding a local monopoly

is the present charge by the theatrical workers' union in some American cities of an admission fee of \$25 or \$50, against the usual fee with unions of \$1 to \$3. In some American cities the unions of bricklayers and masons charge nearly as much, and the garment workers' national body has had to prohibit monopolistic fees by its local unions. A union of stone cutters at Newark, N. J., in 1889, resolved to admit no new members at all for one year. In past centuries in Europe a trade's monopoly was guarded in many ways, and its processes, mentioned in apprenticeship indentures¹ as "mysteries," were probably kept as mysterious as was practicable. In several Irish cities, up to within the last twenty years, each of a number of local trades defended its old monopoly successfully by ostracizing, and often by maltreating, incomers from other towns.

¹Binding the Apprentice to the employer's service by a hard and fast contract of indenture fell into disuse in America more than a half century ago; but until long afterwards, in small towns, the apprentice often lived with and drudged for the employer's family, according to a custom surviving from the guild. His "keep" and his trade were his principal pay, his money wages not commencing perhaps until a year or more had passed, and being considerably smaller the last year of his term than the pay of a journeyman.

The Passing Away of Strict Apprenticeship. The form of signing indenture papers has continued in a few British trades down to recent years, but very little attention has been given to enforcement of such contracts, beyond following the understood customs as in trades using no indenture. In America an indenture contract is still made with apprentices of some stove foundries, iron works, and builders, and perhaps here and there with small old industries in small towns; but with these exceptions the practice scarcely exists to-day, or enforcement by law of any kind of apprenticeship contracts. The following of strict rules of apprenticeship has passed away because under the factory system it is to the employer's interest to have a worker learn only one process, but with freedom to change to another, and to the worker's interest also, in order that he may quickly reach the full pay of a journeyman, and find the process that suits him best. The trade unions, in their desire to limit the number of workers in a trade, and thus raise wages, not only strive to keep apprentices few, and the learning time long, but even in America many unions state among their objects the securing of uniform apprenticeship laws. It is unlikely, however, that in this country and at this day any idea of making people do what was claimed as best for them by persons adversely interested would justify as constitutional attempts by law to require a set standard of competency for admission to any occupations except a few closely related to public health and safety.

How Far Limitation is Successful To-day. The small trades in England mentioned above are mostly survivals from a past age. The only modern British union that is fully successful in regulating apprenticeship is the union of iron ship-builders. They are enabled to succeed by the fact that their industry exists in large establishments only, and by their gaining as members practically all workmen in the trade. They allow two apprentices to every seven journeymen, and require a definite contract of indenture to serve a prescribed time. This time varies in different trades, on both sides of the Atlantic, from three to seven years, being now usually three to five. A third reason for the success of the British ship-builders is that their limit permits an inflow of new men sufficient for the needs of the industry, so that self-interest does not lead employers to resist them. The limit of some other unions, set long ago, is too low, having been intended to give a monopoly value to the labor of those in the trade. The Manchester union of printers has permitted not over three apprentices to an office, though the journeymen number a hundred.

Learning the Trade Apart from Union Influences. The reason this Manchester restriction survived, without being broken by employers, or by consumers driven by monopoly wage prices to other towns for their printing, was doubtless the ease with which printers entered the city from small towns having no unions. In America the typographical union's local rule is one apprentice to every four or five journeymen, and one to each shop employing less than four or five. This is about the usual proportion with printers in British cities other than Manchester. But in both countries there are hundreds of printing offices in small towns without unions, from which any printer coming to a city is admitted to the union if he has been in the trade three to five years, and is a passable workman. Hence, there is really no union limit to the number who may enter the trade. This is the case with other occupations that can be learned in towns having no union, and in all other trades in which there are many non-union shops. Perhaps in America there are no close monopoly trades like those still surviving in Sheffield, though they are approached in power

and practice of exclusion by the unions in the American glass trades.¹ In the window glass trade, in which the trust monopoly of employers charges double price under the tariff, the union was reported lately as imposing an initiation fee of several hundred dollars. The unions of stone cutters also use their exceptional power at some places in apprenticeship, allowing only two learners in a yard employing less than a hundred journeymen.

The Real Limit is Set by Nature, however—in the ability of men, and in the difficulty of the trade. In what is perhaps the most successful and advanced union in the world, that of the Lancashire mule spinners, which by raising wages keeps profits always at the minimum, the two piecers employed by

¹The small union of tile layers has required the apprentice, after two years, to get a contract for two years at \$3 a day for the first and \$3.50 for the second, and then to get \$4 and pay from \$25 to \$100 initiation fee. By allowing only one apprentice to twenty men, unless the shop has fewer, and with an initiation fee of \$100 for immigrants, the flint glass workers have kept wages at \$6 to \$9 a day for the ten months' season. Tack makers (only 300, \$125 to \$225 a month) admitted few except sons. (Bemiss, 1894.)

Limitation of Apprenticeship by British Unions. Webb, in "Industrial Democracy," 1897, page 475, the source of the British information given above, prints a table from which the following figures are taken. Membership of unions whose regulations are really restrictive, preventing sufficient inflow of recruits, 15,000; unions with similar restrictions, but permitting unlimited apprenticeship of members' sons, 25,000; unions restrictive, but admitting apprentices in proportion sufficient for the trade, 50,000; unions only nominally restrictive, like that of the printers, 500,000; unions making no regulation of apprenticeship, 250,000 laborers and transport workers, and 650,000 workers in the mining and textile trades.

In American Unions. Prof. Bemis found in 1891 that unions having 45 per cent of the total membership (unions consisting mainly of railway, mine, and textile workers) attempted no restriction of apprenticeship; that unions having 16½ per cent of the membership had national rules for restriction, but only those with 14 per cent enforced the rules successfully; and that unions with 39 per cent of the membership left restriction to their local branches, which at many places made no rule or failed to enforce it. Yet the latter class includes the unions of printers, cigar makers, carpenters, stone cutters, and machinists, all of which perhaps are generally successful with a restrictive rule where the local union is strong. The unions whose national rule is well carried out include the glass workers, iron molders, pattern makers, and hat makers. In some places in America bricklayers and coopers restrict apprenticeship to members' sons. (*Social Science Journal*, Vol. 28, 1891.)

each spinner to assist him, and promoted to be spinners when vacancies occur, form a group ten times as numerous as the recruits required by the trade. The bright and speedy men in the printing offices of American cities get high wages, not because of any limit of one to five, but because from the unnumbered horde of "tourists" on the road, "intelligent compositors" in country offices, and boy amateurs in kitchen attics, few can be found capable of filling the city positions, and these few come within the influence of the union.

If Every Boy in School Were Taught the Same Trade—its elementary principles—would not this teaching overcrowd that trade and lower its wages ruinously? Not necessarily. If only one trade were taught there would be at first attempts to follow it by too many recruits, but the higher grades of work would remain separate from their competition and command high pay as before, while in a short time boys would find the trade full and make perhaps no greater efforts to follow it than had been made before the teaching began. Though books and papers were given away free, the demand for them would employ as printers but a small fraction of the population. If all boys were taught printing in school, the mass of them would no more think of following it as an occupation than they now think of becoming bankers because they have learned to compute interest, or authors because they have written school compositions. Those best suited to be printers would turn their attention to the trade early, and average skill of journeymen might be raised far above the present standard; but selection by employers of the most desirable boys and men would eliminate from the trade those not needed, and turn them into other occupations. Then, from those selected, the best would be advanced to more difficult work, and proper wages for any one would depend on what the public would pay for his product without ceasing to buy it, and what his grade of skill would bring in other work he might take up. Such is the process now. Unionism raises wages by making men shrewd sellers of their labor, and producers of the large output without which high wages cannot exist. But except in its few cases of unjust monopoly power it does not long obstruct the natural process by which a man tends to drift into the grade of work he is

best fitted for, and to get there such wages as the market value of his product justifies.

Artificially Limited Apprenticeship Has Been a Monopoly Tax on the public, for the benefit of those in the trade, so far as it has really raised wages by keeping the number of workers smaller than it would otherwise have been. Fencing in a trade artificially has effects decidedly evil. First, it may shut out some of those best fitted, who in other work may achieve less for themselves, and produce supplies or services of less value to society. Second, by shutting out these, and thus keeping in the less fit, it may retard the entire trade's progress, making its products less valuable, checking demand for them (especially abroad), lessening the employment and wages the trade affords, and reducing its flow of supplies to consumers. Third, it injures many other trades by overcrowding them with those it shuts out, lowering wages in them and increasing unemployment.¹

The Same in Principle as a Doctor's Giving Medicine to Keep One Sick, in order to increase the need for medical service, and thus to justify a large aggregate charge—is the effort to make a trade harder to enter, that from scarcity of its workers and product the needs of consumers and employer may be made more pressing, and wages thereby raised. The body has ills enough, after medical science has done its best to remove the need for its services. Getting a living is hard enough, whatever is done to increase and cheapen the earth's products. With all the modern improvements, half the human race still go hungry. That each person can have the most

¹Adam Smith, keen to detect monopoly, called attention to the evil of limitation of apprenticeship, which, when he wrote (1776), was beginning to give way before progress. Economists of to-day are pleased to observe that such restriction is being given up. It has been one drawback to their usual friendliness toward unionism. Mr. and Mrs. Sidney Webb, unionism's foremost defenders, are emphatic in their condemnation of limitation of apprenticeship. ("Industrial Democracy," 481.) Well do they say that it must be unreservedly condemned, and absolutely abandoned; that it is direct antagonism to the remainder of the working class and to the people as a whole; that the throwing off of this "old Adam of monopoly" will be facilitated by the modern mobility that has already made it mostly impracticable.

goods and services to enjoy, society wants every trade as easy as possible. Any attempt to change the present capitalistic system of industry, further than by conservative correction of its abuses (page 48), will only make the hunger worse. The way to place one's business or work beyond the competition of others, without exploitation, is by progress to give better qualities and larger values.¹

¹How to Produce Enough is Still the Problem, despite the complaints of crowded trades and overproduction. (Chapter XVI.) It is well, by unionism, and by going to other places and into other trades, to sell labor for the most, and thus perfect the distribution of wealth; but even then the gain is chiefly increase of production, in better product and better markets for labor. Great Britain's yearly product was computed in 1891 to be in value not over \$180 for each inhabitant. That of America, with our unapproached resources in land, mine, machinery, and men, has been carefully computed to be not over \$2 a day for each person in gainful occupations. To waste labor power is wrong.

Similar to Tariff Protection, which prevents exchange of home goods for foreign goods more desired and more valuable, is the effort to limit the number in a trade. Both policies have come down from the mediæval period, when the prevailing practice was to encourage some by taxing others—to tell people by law from whom they ought to buy and what to pay, as well as what they had to believe. Until a century and a half ago English law required a manufacturer to sell his wares through merchants, whether he desired to do so or not; and prohibited a mechanic from going into a strange city to work, or an employer from starting in business there. Birmingham and other cities in England took the lead industrially because they were new places, unhampered by guild monopolies. The pretext of learning a trade thoroughly, used by the guilds to justify monopoly, is put forward in defense of trade union restrictions, as protectionists, with thinly disguised selfishness, try to persuade the buyer (who does the paying and the using) that cheaper foreign goods are of poor quality. The few skilled men in the guilds, by means of monopoly prices for their products, exploited the mass of the common people as truly as did the robber barons. Many skilled workers to-day seem to feel that it is their right to impose on the lower grades by shutting them out of trades—to be a privileged class themselves while denouncing the privileged classes above. That the object is to better their own condition might be said as truly of embezzlers and forgers. These old policies of restriction die hard, being immediately advantageous to their beneficiaries, and so deceptive in their working that both the latter and their victims may not be conscious of the wrong.

But There Was Some Reason for Mediaeval Restrictions in the ignorance prevailing among buyers in those days, so long as the powers that were sought such development of industry as promised to result eventually in most benefit for all. Evil arose when the favored guilds and protected

Progress Has Delivered Us, fortunately, from restricted apprenticeship, as from other outgrown monopolistic customs of the Middle Ages.¹ From invention of machinery hundreds of new occupations have appeared. Where easily learned, these remain a field for the multitude of unskilled, who have never had an effectual way of limiting their number, or their product, in order to get higher pay. The skilled men in the guilds, in the palmiest days of the latter, were but a fraction of the population, an aristocracy of labor, as the members of the strong unions are to-day. In operation of machinery, as in handicrafts, where difficulty of work has formed a skilled trade, strong unions exist; but their limitation of apprenticeship, as explained before, is usually made non-effective by opportunity of learning the trade apart from union influences.

industries gained control of government, and sought to enrich themselves from their monopolies at public loss. For indulging in or permitting such selfishness or short-sightedness, though usually felt by the favored ones to be within their sacred rights (Webb cites a solemn assertion by liquor men to-day of a vested right in maintaining the people's habit of drinking), nature provides sure but somewhat slow punishment. A general custom of making things scarcer, and higher in price, either by tariff protection or limitation of apprenticeship, not only diminishes total sales and employment in one industry, but it leaves buyers less to spend for products of other industries, thus diminishing the income and consumption of the latter, and hence the sales and employment of industries in general. The people of a country can get to consume only what they produce, and each has only his own product to offer in exchange for the goods of others. To make product scarce is to make living poor. Moreover, while special favor causes an industry to flourish parasitically at first, its tendency later, under ordinary conditions, is to depend on the favor, and to achieve less for itself than would otherwise be the case. (See the author's book, "The Trusts and the Tariff," 1902.)

¹The Monopoly Motives Remain. But to retain the fruits of progress requires eternal vigilance. The selfish motives underlying the guilds remain in human nature unchanged. Scores of laws enacted by the states, to shut out goods shipped from other states, to prevent people from following licensed trades, or from benefiting consumers with such cheap and wholesome substitutes as oleomargarine,—have been set aside by courts as unconstitutional—as not intended to benefit the public, but to enable some to profit at the unjust expense of others. In Germany coöperative stores have been hampered by legal restrictions secured by their enemies, the merchants, and in some American states building and loan associations have feared such opposition from banks.

To Avoid Promoting Non-Unionism, a union must admit to membership any man who can really do the work, however he may have picked up the trade. The great Amalgamated Society of Engineers in England, finding that many a lower grade worker was learning their trade by being promoted from one machine to another, abandoned in 1885 their effort to shut out "illegal men," and have since admitted any person employed in their work who can earn their standard rate. Thus they let their trade stand on its natural foundations. The strong unions of American boiler makers, carpenters, and stone cutters follow the same policy. The difficulty of the work, and the high level of pay to be earned in other trades by men having the grade of skill, are a guarantee that there is no danger of a lowering of wages from influx of new men. The union fixes a high rate; the employer does the rest. He soon shuts out those incapable of earning it. The small old British unions mentioned (only 15,000 members in all) succeed in holding their monopoly because their industries are of little consequence. If their products were in good demand, men equipping large factories with improved machinery, or otherwise gaining advantage from use of capital, would soon train up a new class of workers, and thus bring the union's monopoly power down to a natural and wholesome basis. The limit of British shipbuilders admits perhaps as many new men as would enter without it. If so it is a limit only in name. Under the ideal of this age—equal rights to all, special privileges to none—workers in no important trade, especially if carried on at many places, can hope for wages higher than their level of skill and responsibility would bring in other occupations.

The Apprenticeship Question is Settling Itself. This is evident from the unparalleled industrial progress of America. Here the old notions of men not having a right to a trade are least observed. There are two conditions whose existence here insures that trades will be learned, and learned well. One of these is a class of bright young men, eager for achievement; the other is a class of progressive employers, who are seeking just such young men. The meeting of these two classes leads to admirable results. Boys of nineteen or twenty become firemen or brakemen on railways, and from their regular work,

paid for at good wages from the start, they learn to be engineers and conductors, and in due time are promoted. The same process of passing upward from a fairly well paid position as helper, into more difficult work, is followed in many modern occupations that have known little of apprenticeship. In many kinds of factories young men and women, learning in a few days to operate machines, soon earn fair wages at full piece rates. Often a person showing aptitude is quickly passed on to better paid work. Each worker gets the most from his time, and does not miss the loss of the discipline afforded by drudging a year or two for less than enough for his board. Learning is quickly accompanied by earning. The fact that an American boy nowadays will not work unless he gets considerable pay from the start—often complained of by persons having the old ideas of apprenticeship—is probably a point in the boy's favor, revealing qualifications for success. It is surely an evidence that in the multiplication of modern occupations, entirely free from mediævalism, a boy or girl can now make money without having to spend years learning how. The emphasis in the past on thoroughness, though largely commendable, was also largely vitiated by its connection with the trade's monopoly. Consumers who buy will now give notice quickly enough of fault in quality, being enabled to do so effectively by competitors offering better. To society, no less than to the boy, it is important that as little time as possible be spent on mere learning. The employer too is not interested in adding to the learning period if the boy's wages are not kept down by more than the trouble of teaching him would justify—something that the boy of to-day guards against by keeping informed of what he might earn from others. In many factory occupations requiring no apprenticeship—only a natural quickness of mind, eye, and hand, with a few weeks' practice—the employer asks no wage reduction to balance his loss from the operative's period of learning, but is glad to pay full piece wages from the start. The usual willingness of American employers, unlike the European, to pay a boy all he is worth, not deducting for his learning, excuses them somewhat for their common neglect to teach him.

Overcrowded Professions. The time, expense, and ability

required to learn a profession are probably not a sufficient barrier to prevent overcrowding of the lawyers, physicians, and dentists.¹ While the reward remains large for those of established success, the business for others is sometimes divided among so many that a capable man may spend a long time in reaching a fair support. The professional code checks lowering of fees, but their fewness, where too many divide them, lowers income none the less. Among book-keepers and stenographers capability is measured more quickly, and the system of working for employers, instead of for the public, soon turns into other lines those unable to get or hold positions. They do not remain in the business, like some lawyers and doctors, for the sake of social standing, regardless of income in money. Average wages of book-keepers and stenographers, like those of telegraphers, have been lowered greatly by the graduation annually of many thousands of young people from hundreds of business schools. But it is doubtful if the

¹**Raising the Standard of Admission to a Profession**, as professional schools have been doing of late years, is not the same in principle, as is sometimes claimed, with an apprenticeship rule of one to five. Any number that can pass the examination may become physicians or lawyers. The workers in a trade, to limit their numbers in the same way, would need to separate themselves by raising their skill. This would be desired, both by employers and the public. The main objection to a rule of one to five is that a person's fitness for the trade, though he be a genius, gives him no chance to displace a journeyman who may be in the wrong occupation and not worth his wages. Besides, in associations of professional men, the main object is promoting skill, while in unions it is advantage for bargaining. Mr. Boulton, who seems to be a model president of the model union of New York stereotypers, did not notice that he surrendered in the contention when he said that a natural barrier against overcrowding is possessed by a profession in the cost of education, but that a mechanical trade, having no such barrier in nature, must set one arbitrarily. (*Outlook*, March 28, 1903.) A mechanical trade has exactly the same natural barrier so far as it requires talent, and time and application in learning. Entrance to a profession is made much easier by the fact that in a school admitting all it can be learned with money earned in any work, and is not, like a trade, to be entered only through a few rare openings for apprentices. To add artificially to the natural difficulties of entrance is really less defensible with a skilled trade than it would be with poor common laborers and machine tenders, whose work, seldom employing all of them with any approach to the regularity of skilled labor, is taken without compunction by the high paid unionist when his own employment fails long.

competent are paid less now than before. The salary of a Jackson book-keeper getting from \$50 to \$85 a month is not endangered by the presence in town of girl book-keepers getting but \$2.50 to \$5 a week, up to \$10 for the best. Girl stenographers get about the same. The cheaper workers do not compete with the higher; and so far as ready means of learning enable the cheaper to pass to the work of the higher, the wages of the latter may be brought down no further than to the level of the same capacity in other occupations. Artificially holding wages above that level would be unjust to the public overcharged, and to those shut out of the profession. Persons having the ability to do the higher grade of work will not find it personally advantageous to enter the profession unless it will be equally advantageous to society.

The Employer's Part in Solving the Problem. While multiplication of new occupations in manufacturing and in commerce, with easy access to old trades in shops not unionized, have given fairly adequate opportunities to learn to work, one important matter has been too far neglected. Under average conditions, in the busy life of to-day, the apprentice has had to pick up his trade as best he could, without any one's taking the responsibility to see that he learned it well, the practice going to the other extreme from that of the old apprenticeship. While there is good discipline, especially to a bright boy, in being thus thrown on his own resources, no effort on his part will suffice when he is kept aimlessly employed about the shop, on the work he happens for the time to do most profitably for the employer, and is given no systematic chance at the essential parts of the trade he is supposed to be learning. In this respect the enlightened self-interest of employers is bringing about a desirable change. In the skilled trades that yet require the long learning time of an apprenticeship—consisting of work not to be divided up into single processes quickly learned by a mere machine tender—the employer will eventually find it best, not to depend on inflow of men learning in small towns or in Europe, but to train up workers especially for his own business, losing a little in present value of a boy's service by giving him the change of work necessary to make him most skillful and profitable later on. In railroading, perhaps the most

advanced occupation of all, the tendency now is for each company to train up its own employees. Not only is the way kept wide open to apprentices or promoted men in every department, but by entrance examination the best are selected, by watchful inspection merit is rewarded and demerit weeded out, and by instruction from experts, kept traveling for the purpose, men are taught the most approved methods of doing their work. Having the modern spirit, unions of railway workers coöperate cheerfully with company rules evidently designed for the good of all concerned, and get the highest wages among manual workers, by rendering the service that deserves such pay, not in vain efforts to monopolize by keeping out new men.

Encouragement to Develop Skill. As industry becomes less speculative, and more settled, great employers, realizing that on nothing, as a rule, is their success more dependent than on the skill and diligence of employees, are providing new and exceptional means for leading these into highest efficiency. To give apprentices and journeymen technical knowledge and enthusiasm, familiar talks by experts, with experiments, are provided at the employer's expense. Concerns doing this are mentioned in Mr. Patterson's article in *Engineering Magazine* of January, 1901. In the Elkhart shops of the Lake Shore railroad a free night school for apprentices was lately established, to teach mechanical drawing and other knowledge necessary in their work. Other companies are adopting this excellent plan, followed during the last thirty years in the famous printing press factory of R. Hoe & Co. in New York, while in several of the large cities schools for their own apprentices have been maintained at times by employers' associations in the building trades. The Calumet and Hecla copper mining company of Michigan not only provides in its elegant free library the best books and papers relating to the trades of its employees, but encourages boys, in reading these, to look forward to becoming its apprentices, and is thoughtful afterward of their advancement. The fruitfulness of such a policy can be imagined by any one who has been a boy himself. The Brown & Sharpe Company of Providence, in its machine shop, foundry, and pattern shop, hires adequately educated apprentices

between sixteen and eighteen, on a definite contract covering four years, and trains them to be thorough workmen, making it the duty of overseers to instruct them. This provision for apprentices doubtless has some connection as a cause with the high reputation of Brown & Sharpe machine tools, and with the choice of this establishment, by visiting French workmen in 1893, as the model shop of the many they saw in America.¹

The Greatest Institution for Training Apprentices is the system recently introduced by the Baldwin locomotive works at Philadelphia, which is the largest establishment of its kind in the world. The first class of apprentices, grammar school graduates, serve four years, at wages of 5, 7, 9, and 11 cents per hour in each year respectively, with a bonus of \$125 at the end of the term. The second class, high school graduates, serve three years, with wages of 7, 9, and 11 cents per hour, and a bonus of \$100. Both these classes must take technical studies three evenings a week in a night school. The third class, composed of graduates of technical schools and colleges, serve two years, at 13 and 16 cents per hour. The company changes the work of each with sufficient frequency to carry out its contract to teach the trade. When this system is in full operation it is expected that four hundred capable mechanics and engineers will be turned out each year. About a thousand young men were under this instruction in 1902.²

The Effect on Advancement of Industry. The number to

¹E. Levasseur, "The American Workingman."

²An article on apprenticeship in the Baldwin works appeared in *The World's Work* for Sept. 1901, and another on the Brown & Sharpe system in the same magazine for the following November. Both systems are described in the Seventeenth Annual Report of the U. S. Labor Department.

The Midvale Steel Co. of Philadelphia, which has had great success with premium wages (see magazine citations on page 101) has always had regularly indentured apprentices, having 80 in 1900 out of 3,400 employees in all. The time is 3 years, and the pay 6 to 9 cents per hour, paid in part to the boy, to his parents, and to his savings account. Boys are carefully trained, and are given compulsory instruction three nights a week in the Franklin Institute near by. Most of them remain with the company as inspectors and foremen, though President Harrah said he is glad to have them work for other concerns, that these may be friends, not enemies, of the Midvale company. (Indus. Com. XIV. cxxvi.) Another witness told of the eager use by his men of his free library of books useful in his trade.

be graduated each year are many more than the Baldwin company could employ as journeymen, though its total force now numbers about 13,000. Its object is not simply to train men for itself, but to utilize its unequalled advantages for teaching worthy boys a trade, and for giving the country a class of highly skilled mechanics. So far as pay for instruction may be collected by getting more work from enthusiastic boys than the same wages would buy otherwise, this tuition would gladly be given by boys everywhere for such a chance to learn so desirable a trade. In a few years, by this plan, the Baldwin company can perceptibly raise the level of American industry, already the highest in the world—not by reason of industrial training, in which we are far behind Europe, especially France, Belgium, and Switzerland, but by reason of our unequalled resources, enterprise, and ambition. The single concern that develops to the utmost, for its own good afterward, its apprentices' fidelity and skill, will soon pass ahead of equal concerns that do not. This fact will tend eventually to induce all the important employers to provide adequately for apprenticeship. Aside from difference in natural resources, and in capacity of people, the nation that is most effectively trained in commerce and industry will rise highest in achievement.

What is Unionism to Do About It? It does not seem that the Baldwin apprenticeship system could affect unionism materially. New men not limited in number have all the time been entering most trades in towns and shops not unionized, and by immigration from Europe, as in the well paid railway employments having no restriction. The foundation of union success has been the fact that in union towns it includes nearly all the capable workers, and that such men cannot usually be brought in from other towns to overthrow it. The interests of unionism are the interests of the latter also. The case will be the same with new men from the Baldwin works. Capable men there turned out will want as high wages as previous unionists get, and if not enough positions are to be had at that rate, men of their grade will cease entering the occupation. The policy of a union, it would seem, is to seek as at present to gain as a member every man it finds at work in its trade, and to teach him to hold his position and his wages by doing better

work than others who might be hired in his place. Only this superior capacity has maintained unionism heretofore. The influence of the feeling against non-unionists would have been brushed aside long ago if by hiring them at lowered wages the employer could have effected a substantial saving.

A Union Encouraging Apprenticeship—inducing the employer to train up his own journeymen—gains decided advantages. These are pointed out by the union partisan, Mr. Webb. It may be well to have a limit, to guard against a possible attempt to displace skilled men, even though the attempt would eventually prove a failure. But the average American employer of capability has heretofore seldom wanted so many apprentices as reasonable unions permit.¹ By the Massachusetts state census of 1885 the apprentices in the leading trades requiring apprenticeship were but a fraction of the union number, being only 1 to 16 with tinsmiths, 1 to 19 with printers, 1 to 62 with carpenters, and still fewer with other trades. In the Boston masonry trades the union's agreement with employers places no limit on the number of apprentices, but from natural causes the number is each year decreasing. Journey-

¹Not to bother with any is often the preference of active employers in fine work. In 1893 it was found that of at least 600 master painters of Philadelphia not one in fifteen had a single apprentice, and some, employing each from 20 to 80 men, had had no learner for twenty years. In 1894 Prof. Bemis said he still thought there were a few hundred in America who had been shut out of trades by unions, but by inquiry he had learned of only two. Of 9,384 New York state strikes during 1885-89, only 114 related to apprenticeship, and of these only 17 per cent succeeded, against 62 per cent for the total. But Prof. Bemis must be mistaken in thinking a main reason for union objection to apprentices is that the piece worker loses time in teaching them. A piece worker could hardly be depended on to shut a door unless he personally wanted it closed.

Will Men be Displaced with Boys? The common complaint among unionists, that without their restrictive rules skilled men, having families to support, would be displaced with boys, will not bear examination. Skill must be worthless indeed if it has to be forced on the employer by compulsion. Where he wants to hire boys, his is boys' work, and they ought to have it, if they are above the working age set by law. If that age is too low it should be raised. A condition of idle men and busy boys will not arise if men devote their attention to men's work. And for boys, for cheap men, and for women, the surest way to raise low wages is to allow them to do the work they are wanted for, instead of driving their wages still lower by

men unionists, by taking an interest in the apprentice among them, and assisting him to learn, can make a staunch union man, and by recruiting their trade from local apprentices can strengthen unionism in their city. A man learning in a small town often fears and dislikes unionism. His inability there, unless he has especial aptitude, to learn the trade well, may instead of leaving more work for unionists, not only harm him and society by partial waste of his producing capacity, but when he comes to the city may add another to those workers who, though unable to hold a position in a union shop, are able under the low wages and low prices of scab shops to make deep inroads into the union shop's patronage. As to apprenticeship, the real interests of the union, of the employer, and of society are the same. There is large possibility for good to both sides in a settled agreement over the matter, such as that of unions and contractors in the masonry trade of Boston.

crowding them out and thus exploiting them in their need, and in various results exploiting society too. The employer who hires these kinds of cheap help where he ought to hire skilled unionists is not likely to remain in business long. As to the public injury from poor quality, the choice of people who pay for and use the goods is safer to trust than the claims of people who want the work of making them but are not wanted by the employer. Keeping boys in school by law until nearly grown would make the most of their lives; but for fixing by law the number of apprentices, as the Germans do, it is difficult to perceive other reason than the continuance of skilled trades that the country would be better off without.

Will the Boy's Teaching be Neglected? Moreover, as to the unionist complaint that apprenticeship restriction is necessary to insure that the boy will be taught the trade thoroughly—such teaching is just what he does not want if workers already skilled in the trade are being displaced with workers unskilled. If the employer keeps the boy at the narrow specialty of feeding one machine, it is there that his labor is most valuable, and will bring most in wages. If the claim is true that as soon as he asks a man's pay he is displaced with a new boy, this is another evidence that the skill is not valuable—that the work belongs to the unskilled, whose need for work is greatest. Besides, in the whole matter of learning trades, society's interest coincides with that of the employer rather than with that of the typical union. The employer and society want every boy's labor applied where it will turn out largest product value; but the typical union wants the fewest boys in its trade, wants the learning time to be long, and wants the learner's skill to rise not far above the average. If the boy's labor is applied where it is most valuable to the employer now, but where the wages and training together will not be most valuable to the boy in the long run, the remedy is

With Industrial Schools the State Can Best Uplift and Enrich Its People—can approach nearest to placing every person in the occupation for which he is best fitted, and nearest to leading him there into that development of his faculties which yields, for himself and for all others, the largest results possible from him in wealth and well being. In fact, in no other way—including with this the supplying of many kinds of industrial information and facilities—can the state promote growth of wealth otherwise than by maintaining justice and morality. Bounties and tariff protection, almost invariably, encourage the few at the expense of the many, and lessen the total product. Undoubtedly it is in manual training, with other forms of industrial education, that society's chief hope of better things is to be realized. The present advance of such education in America, though retarded by public indifference and the consequent lack of funds, insures for the near future a rate of progress never equalled heretofore. In the lower and intermediate grades manual training is giving the girls practice in sewing, cooking, and other most useful work, and is giving the boys an idea of the common trades, with some familiarity with the use of tools. These pleasant exercises give them a liking for school attendance, prevent growth of evil tendencies, for the boy or his father to get from the employer a contract providing for proper instruction, and to see that all the instruction is received for which the pay is kept low. Unionism's policy (perhaps often not attempted or not to be made effective) of having the boy not kept on a narrow specialty, but taught all the trade, is beneficial to the boy and to society, besides making him a good unionist, so far as the full trade is desirable, and the specialty not best to follow and to work up from. But there is risk of a union desire to keep the trade unchanged, when its subdivision into several trades would increase output for society, would increase its total of wages, though perhaps lowering pay or lessening work for some of the present unionists, and would not narrow the boy into an automaton, but would really develop him best if he looked out for himself properly. But for the union's interest in his instruction there is a safe basis in its desire that he reach at least the skill to uphold its high rate. The union wants to have the greatest skill there is, but individual use of it is different.

The editor of a Southern labor paper testified that in his opinion trade schools had led the Negroes to demand the highest pay in reach. Union opposition to Negro and Chinese labor has been one force in compelling them to take low pay in order to get work. In 1873 Chinese struck in a Pennsylvania cutlery shop for higher pay, and a hundred of them left for the West.

turn the attention early toward industry, and cultivate such habits and such dexterity as will be highly useful in any occupation chosen.¹

Various Forms of Public Industrial Education are now being provided in the more progressive American states. For those passing from the common schools, the city libraries are being supplied with books and papers relating to mechanical trades and general business; the state is maintaining in high efficiency the schools of agriculture, mining, and textile industry (textile schools now flourishing in several states), and is providing in its university liberal instruction in all the sciences

¹**Under the Admirable Industrial School System of Springfield, Mass.,** the city provides free, above the kindergarten and simple manual training of the lower grades, the following varieties of instruction: (1) A weekly afternoon class for mothers; (2) a six weeks' vacation school in shop work for boys; (3) cooking and housekeeping schools with an enrollment in 1901 of 698, including evening classes of 200, composed of servants, women with families, and young women planning for homes of their own; (4) an evening school of trades, designed especially for men and boys at work, having an enrollment exceeding 300, which would reach 1,000 if facilities permitted, the trades taught being machine shop practice, tool-making, plumbing, joinery, wood-turning and pattern-making, besides classes in drawing, electricity, etc.; and most important of all, (5) the mechanic arts high school, with 92 pupils and three four-year courses of study, one preparing for institutes of technology, one giving general scientific instruction required in various occupations, and one providing thorough shop practice in which fourth year students specialize for the trade they intend to follow. A school system with these invaluable features gives all the preparation that youths could desire for a start in their teens into practical life. They are led to a wise choice of an occupation, besides being so instructed in its scientific principles, and so practiced in its processes, that after going to work most of them reach exceptional proficiency, and in a small part of the time required under ordinary apprenticeship without school preparation. By state law in Massachusetts every town or city of 20,000 population must provide manual training in both elementary and high schools. In the whole country there were in 1900 about 125 manual training high schools, Massachusetts having 21, New Jersey 15, and Wisconsin 12. In the lower grades manual training is much more general, and seems destined to be adopted at all places having good systems of graded schools. It was taught in 1900 in the public schools of 170 cities, and in 350 other schools, including 120 that were industrial or technical. A list of the latter is given by the Industrial Commission, Vol. XV. Great Britain, since 1884, has had a Parliamentary grant of \$3,750,000 a year for technical schools, which in 1900 existed in over 300 towns, and had 26,000 pupils.

involved in professional, commercial and industrial progress. To this extent the training must be largely at public expense, except where it is supplied by the great endowed institutions, such as the universities of the Eastern States. After diligent use of these means of instruction, the learning of a trade by a boy approaching manhood can be entrusted by the public, it seems, to the self-interest of himself and of the employers who need his services. But these various means of public instruction, where there is wealth to tax, can scarcely be carried too far. It is by such knowledge that the most is made of a nation's resources, and of the lives of its people. The more a person is led to earn honestly for himself the more he has with which to patronize others, and the larger are the values in goods and services he produces for society.¹

In Prisons, Reform Schools, deaf mute institutes, and orphans' homes, industrial instruction is carried much further than in the city high schools just described, the inmates of the former institutions being generally brought as far as practicable to the proficiency of immediate wage earning as journeymen, and not simply prepared for rapid learning as appren-

¹**Especially are Knowledge and Enthusiasm Needed by Grown Men.** Dissemination of these qualities, by means of lectures, institutes, technical schools and clubs—supported by the state and by societies—has added wonderfully to the prosperity of farming in Denmark and Holland, and is now having the same effect in Ireland. Results similar, though less marked, are flowing in America from the various government bureaus for spreading industrial information. In an inspiring article on "Possibilities of a New Trade Unionism," Percy Longmuir, in *Engineering Magazine*, April, 1902, shows that unionists, now narrowly absorbed with interests of the present and largely blind to those of the future, might be given broad and sound views by means of public lectures and reports on trade, foreign competition, economics, etc., and thus made more ready to coöperate with capitalists of good intentions, and less given to overwrought suspicion. To realize the great possibilities of national well-being in collective bargaining (Chapter XXVII.), the minds of the workers must be instructed and broadened. Moreover, such efficiency of mind is vitally essential to utilize safely the great possibilities of wealth increase that come from the passing of industry to large corporations. As these are powerful for evil as well as for good, the workers and the people must adjust themselves to, and regulate, the accompanying curtailment of their business freedom (page 108), or there will be grave danger of the social and political decline portrayed by Mr. Ghent in his book "Our Benevolent Feudalism." As civilization rises, the difficulty of preserving freedom increases.

tices. These delinquent or defective classes will not, or cannot, learn trades unaided. Only by giving them the ability and the habit of work can they be saved from injury or ruin to character, and society be relieved from the burden of supporting them without the return of useful things their labor will produce. As explained in the chapter on convict labor, it is a regrettable short-sightedness that raises among unionists an objection to productive work by these classes, and to their learning of trades. Their defects make it hard enough for them to get a living, with all the training that can be given them, and make them troublesome enough to their relatives and to society. For the same reason, the many religious and philanthropic schools for teaching trades and needed professions to the colored people in the South are of greatest usefulness. These people need the better houses and conveniences that men thus taught can make, the better preaching and teaching. The race prejudice that deprives them, when in trades and professions, of patronage from the whites, will scarcely prevent them from following these higher callings to serve one another. And in view of the usual difficulty of success in new undertakings by the public, there is perhaps no more fruitful field for private philanthropy than in endowing industrial schools in any large cities where they would not otherwise exist. Noted schools of this class, benefiting many thousands, are the Pratt Institute at Brooklyn, the Williamson Trade School at Philadelphia, the Lick school at San Francisco, and the Wilmerding school in the same city.

Shall the Trade School be Open to All, or Only to Persons at Work? The many trade schools of Great Britain that teach complete trades—some supported from philanthropic endowments and others from public funds, technical instruction being provided by all the important cities—are generally kept open in the evening only, and almost invariably admit none who are not already at work in the trade taught. This restriction is a concession to the trade unions. As a rule the schools that are open to all confine their teaching mainly to theoretic principles, as do higher institutes of technology, and give but little practice with tools, aiming only to fit for quickly attaining high proficiency under ordinary apprenticeship. On

the Continent also, where trade schools are older and much more numerous than in Great Britain, and where general industrial instruction reached some years ago a high development, the trade pupils are mostly persons already at work in the trade, are sons of journeymen or masters, or are inhabitants of towns given over to some special industry—in short, they are persons who it is assumed will of course follow the trade concerned, and whose right to enter it is therefore not questioned by the union. How far in making concessions to unionism ought American trade schools to go? They seem to be following in this respect the policy that is wise. They do not now antagonize the unions, as was done in some cases a few years ago, by advertising their instruction as a means of overcoming union restrictions on apprenticeship; but while holding a conciliatory attitude toward the unions the schools shape their policies, not to harmonize with unionism, but to answer best to the needs they are maintained to meet. Fortunately as unionism becomes far-sighted and sound, its old monopolistic opposition to the teaching of trades now seems to be surely and somewhat rapidly passing away.

Trade Schools Not Needed for the Real Welfare of All Will Have Few Pupils. It is true that a school would have as good a right to teach bricklaying as book-keeping, if there were the same continuous demand for instruction in the former as in the latter. Bricklayers get as good or better wages than book-keepers, and are no more in need of help; while the custom of teaching the one trade in schools and not the other could rightly continue only because a good reason appeared for the difference. But there is no danger that persons having the mind and the means for acquiring a trade properly exclusive, because really skilled, will do so if their entrance into it will lower its natural unmonopolized desirableness. Such accuracy of hand and eye as that required in the building trades is not to be taught at once by lectures and experiments, but is to be acquired only in long practice, and not thus except by the few naturally fitted. A person who would choose from such trades, and had the necessary strength, could seldom afford to spend time and money at a trade school, especially when by working as an apprentice or helper he could learn

and earn wages at the same time. It is obvious that schools teaching complete manual trades are so rare¹ simply because solid demand for them is lacking. Such schools would have flourished long before this time, whatever the opposition of unionism, if their instruction were worth a remunerative payment of money in tuition. Self-supporting schools are numerous for teaching occupations that can mainly be learned by study—and not conveniently otherwise—book-keeping, telegraphy, stenography, civil and other kinds of engineering, teaching, and even proof-reading, watch-making, advertisement writing, and art for money's sake. It might be said that the lack of demand for school instruction in manual trades is due to poverty of the class who want to learn them. But as wages in the manual trades average perhaps higher than in most of the more attractive and genteel occupations named, and as the fathers of those who learn the former earn probably as much as the fathers of those who learn the latter, it seems clear that there are sufficient means of access to the trades without extensive aid from trade schools.

Providing for Those Who Lack Opportunity to Learn Trades, however, is the very valuable service rendered by the few schools we have which teach full manual trades to any qualified person applying. To these schools young men can come from country towns where skill in trades is low, and from cities in which monopolistic unions rule.² Inesti-

¹There is probably in the whole world not one such school that is supported wholly by fees and is conducted for profit, like schools of book-keeping. It seems also that special provision by employers for teaching apprentices is not needed in trades easily recruited from small towns. The apprenticeship schools conducted in several large cities by builders' exchanges have all been discontinued. Such a school planned in Boston in 1891 (when trade schools were prominent in discussion), was never started, and a trade school now existing there is only fairly successful.

²A youth of nineteen convicted of crime near Indianapolis in 1902 said, according to the newspaper reports, he had committed the crime in order that he might learn a trade in the reformatory, having been shut out from trades by unions. Moreover, where unions do not restrict apprenticeship unduly, some young men for whom a plain mechanical trade is best will learn it in a school, but for social reasons will not endure the long drudgery of apprenticeship. Not only should public opinion be more decided in approving choice of mechanical occupations, but, as stated by an educator

mably useful in this respect has been the New York Trade School, founded and endowed twenty years ago by a philanthropist, Colonel R. T. Auchmuty, and conducted since his death by a board of trustees, coöperated with by associations of New York employers in different building trades. In 1901 it had 223 day pupils in 8 trades (118 of them in plumbing), and 448 evening pupils in 13 trades (116 of them in plumbing, 32 in bricklaying, and 54 in electrical work). Since the beginning this school has enrolled 8,674 pupils, coming from many states, of whom 2,900 have received certificates of proficiency. This seems to be the only school on either side of the Atlantic that teaches youths and adults complete skilled trades in a short time (a half year or less), fitting a few of the experts to work at once as journeymen, at full wages, and others to do this after a year's experience as improvers. The Wilmerding school at San Francisco is similar to this, its object being to fit boys "to make a living with their hands, with little of study and plenty of work;" but its pupils are younger, and its course occupies four years. The other trade schools in America, perhaps less than three dozen, are privately supported philanthropic institutions, and, except those for the blacks and poor whites of the South, are designed to give rather short and elementary industrial training to the poor in cities, or to supply under low fees, to worthy young people, instruction mainly theoretical, and which, excepting a few evening classes, is given in long and complete courses. In the Southern industrial schools also the manual labor occupies only a part of the pupil's time, and is largely intended to enable him to pay his school expenses. In the preceding sentences no reference is made to advanced scientific schools, such as those of engineering, nor to public manual training high schools. few of which give so much trade instruction as does that of Springfield; but the number three dozen probably covers all the

before the Industrial Commission, school arithmetics should have fewer examples of sales and profits, and more examples relating to speed of machinery and strength of materials, in order that boys may not be led, as at present, to overcrowd store and office employment, but may be turned into more useful mechanical work.

trade schools excepting such as the small enterprises of local churches.

Unions Should Encourage Industrial Schools, coöperating with them, and thus influencing their policy to some extent in favor of unionism, instead of opposing them and their graduates, and thus forcing them into what some unionists have denounced them to be, namely, recruiting stations for scabs. The reasons why American unions should complete their already started change of policy toward industrial schools are unanswerable. Facts proved in the preceding pages are (1) that the wages of a trade, and the inflow of men into it, depend on the grade of capacity it requires, never on apprenticeship restrictions except in the few cases of exploitation by a monopolistic union; and (2) that whatever the attempts to teach a trade, the inflow of workers into it will soon settle at the number its conditions properly require. Besides these two reasons, sufficient of themselves, are others of cogency. First, in nearly all of the industrial instruction there is no intention to teach full trades or to avoid apprenticeship, but only to impart the knowledge and training that will insure the choice of a trade one is fitted for, the development of a character that will not dishonorably stoop to scabbing, and the acquisition of the skill, the ambition, and the trade spirit that will lead their possessor to unite in proper unionism for securing all advantages in reach. Second, the many persons from schools who do not choose manual trades are led by their own experience in industrial training to understand and respect work with the hands, as well as the worker himself and his union, instead of simply hearing of the "dignity of labor" from persons who do not act as if they believed in it, and instead of imbibing the Greek contempt for manual labor, which still "permeates our public school system, and poisons the minds of our children against those who work for a living." Third, nothing that trade unions can do would equal liberal industrial training in grammar and high schools to check the wage lowering brought about by the labor of children. "Of the nearly 500 boys in the manual training high school of Chicago, over 90 per cent, it is stated, would have left the grammar school at fourteen for the factory or the store had there been no manual training high school to attend.

The parents and the boys realize that the three years spent in this school will give a training worth more than the boy could earn in that time.”¹

¹Quoted from the Illinois Labor Bureau's report for 1900, from which a number of the facts and ideas in these pages are taken. The latest and most complete source of information on industrial education in all countries is the U. S. Labor Department's Seventeenth Annual Report, 1902. Its previous report on the same subject was issued in 1892.

Trade Apprentices in Public Schools. During the first quarter of 1903 several rooms of a Chicago public school were occupied by 123 indentured apprentices, who work at bricklaying the remaining nine months of the year. In school, for which they are eager, having asked and obtained an extra hour, they study mechanical drawing and the sciences involved in their trade, receiving while at school their regular wages. The school was opened by the board of education on joint petition of the masons' union and of the employers' association. It is managed by the joint arbitration committee, which fixes the boy's pay at \$260, \$300, \$350, and \$400 for his four years respectively. For each unexcused absence two days without pay are added to his term, and one day for each case of disorder or tardiness. A fine of \$5, used for text-books, is imposed on the employer for each day he keeps a boy from school, and on the journeyman for each day he works with a boy thus kept away. An employer can take only one apprentice a year. The mason employers' national association has voted in favor of such schools for each city. One has been proposed by the Chicago carpenters' union, and other trades may follow. (*World's Work*, April, 1903.) A lecture and study course of about twenty weeks for members has been considered by the national union of stationary engineers. There are one or two places at which union printers, for a fee, may learn to operate the costly linotype type-setting machine. In New York city electrical workers must pass a rigid examination before a board composed of two from the union and two from the employers' association. By this board \$2,800 in fees were lately paid back to applicants failing to pass.

This Cast Iron System of trade control by a joint agreement may now be desirable in some respects (Chapter XXVII.), but, since it would be partially a return to the guilds, and would expose outside workers and the public to monopoly, it is far from being the ideal of this age of liberty for trade schools. The ideal for the latter seems to be the Springfield system, seeking the coöperation of employer and employee, and aiming soundly to benefit both, but not being ruled by either, and being designed for the good of the public as a whole. Its status as a public institution relieves it from the union hostility to the schools of employers' associations. It should be as free from selfish control as are law and medical schools, and like them will benefit, not harm, the workers so far as they do not seek unjust monopoly gain. British union committees have often coöperated with trade schools, giving suggestions and criticisms, and practically requiring appren-

Employment Depends on Having the Skill that Secures Customers. Fourth, American trade unionists, whose tendency, in a fear of being surpassed and of having the work divided into shares too large, has probably been to disfavor rather than to encourage speed and skill above the respectable average necessary to maintain a union rate, have practically the same interest as their employers in reaching a high average of proficiency in those trades which must meet competition from other states and other countries. British unionists learned to appreciate this fact twenty years ago, when by a scare as to competition from Germany industrial education in Britain was taken up with vigor. Some of the labor leaders then advocated even compulsory education of working apprentices at public expense; and they now urge additional technical education when the alleged decline of British industry is charged to unionism's short days and high wages. On the Continent, where as in Britain the main industry of many a town depends on keeping to the front in order to hold foreign customers, trade unions have in many cases urgently favored the excellent public trade and technical schools with which industrial Europe abounds. Beginning in 1884, and granting petitions from trade unions, laws have been enacted for all Switzerland by which employers who systematically train apprentices according to school board regulations are liberally paid by the public for giving this instruction. European unionists realize that since youths must and will get a living by work of some kind on leaving school, the only wise policy is to win them to unionism, and increase the country's trade and employment, by facilitating their acquisition of the highest proficiency. Evidently these European unionists are so confident of their own merits as not to fear an endangering of their own positions by

tices to attend; but the Continental unions, having less power, seem to coöperate with a wider view to the good of the whole trade and nation. American workers attend the evening classes, and in a few cases a local union has coöperated with suggestions and examinations, but unions have been disposed to forbid members to teach in trade classes, and their opposition to such classes, though decreasing, seems not to have decreased further than appeared necessary under the inevitable coming of industrial education. (See Prof. Bemis's pamphlet, 1894, No. 129 of American Academy of Political Science.)

thus promoting unionism for the future; and evidently also they do not try to save themselves by crowding the young men into the trades not unionized, or into the scab and country shops in which they can only learn enough to become non-unionists and perhaps anti-unionists. ¹

¹The Superiority of Workers Trained in Industrial Schools. The well known preeminence of the French in artistic work is largely due to their earliest adoption and best development of industrial education. To a similar educational policy is due, in important respects, the recent remarkable progress of Germany. In America employers notice at once the superiority of apprentices coming from industrial schools. Building contractors prefer boys from the New York Trade School and the Pratt Institute. An investigation published in the labor department report of 1892 showed that 701 out of 808 employers gave preference to graduates of manual training schools, and 316 paid higher wages to them than to other beginners. Out of 808 graduates 671 were above the ordinary in use of tools, 460 in economy of material, 652 in planning work, and 703 gave promise of more intelligent work. Out of 536 reported 362 were credited with superior moral qualities. The Chicago manual training high school is overcrowded, and hundreds of employers give preference to its graduates. It is obvious that boys taught the scientific principles of a trade, and given some practice in its processes under expert instructors and with the best tools and machines, could not fail to surpass other apprentices that had not had such advantages.

But the Monopoly Spirit and Trade Education Will Not Harmonize. First, the present unionist will lose by industrial education for the young so far as with its raising of his trade's skill he does not keep up. This burden he must take, not only for the sake of increased product and wages in his own trade, but also for the sake of the increased market, and the possible increase of wages, that will come to his trade from the industrial education's effect to increase skill, product, and consuming demand in all other trades. But apparently there is little danger that in any progressive trade increase of its own skill will cause its pay per unit of skill and of effort to fall, and necessitate much more effort to earn a little more pay. In progress hitherto such has been the case with capital, in fall of interest, but not with labor. Second, though young men of well rounded education, with the broad and just views that are essential to highest democracy, will accord full dignity to labor, will demand all the pay in reach, and will not oppose unionism as is assumed and desired by many who favor trade education, nevertheless, such young men will see all sides of a question, and may not follow a policy simply because it springs from the union. Electrical workers testified that in strikes they fear the men from technical schools. The latter's failure to coalesce with the former may be due mainly to unionism's excess of class spirit, and to its depending too much on coercion and not enough on proving merit. Pupils of the Lowell textile school, which was opposed by the union, took places in the late strike, which strike some careful observers

deemed unjustified. From each side, that of the unionists and that of the students, there doubtless needs to be some approach toward the other, which in each case will be made when the school trained become numerous, and when both sides better understand the situation.

Another Chance for the Employer to Improve Unionism (page 297) lies in the matter of apprenticeship. Miss Addams says the meeting of men in unions imparts trade pride and inspiration, making them better workers, and that one reason why domestic service has not improved is that the girls have no time for unions. Though unionism does give one some pride in his trade, it seems that it has been so absorbed with pursuit of power to bargain, and so ready to resort to monopoly, that its only important part in advancing industry has been in the effect of bargaining demand to strengthen character, and in the effect of its high wages to force men to work well to maintain them, and to force the employer to do his part progressively. However, it has been the employer's readiness to destroy unionism that so concentrated its energies on bargaining, led it to favor a skill and ambition only moderately high, and led it to view trade processes and progress too narrowly in the light of probable effect on wages. The employer, by willing recognition of unionism as inevitable, and by turning from opposition to coöperation with it, can lead it to take larger interest in promoting skill, as was done by the guilds, but without their monopoly. In France and Belgium the unions, partly for instruction of workmen's sons, and partly for extension of market and of employment, are often affiliated with the trade schools, sometimes taking the initiative in starting them, and are almost as eager in favoring them as are employers. The broad-minded employer can do most of all toward the enlightenment recommended by Mr. Longmuir (referred to above).

Are Unionists Hostile to Native American Workmen? A belief that they are was current to some extent about ten years ago. It is expressed by Mr. Henry Wood in his book "Political Economy of Natural Law," by Col. R. T. Auchmuty in a letter in *American Social Science Journal*, Vol. 28, 1891, and especially in a series of articles in the *Century Magazine* in 1893. The prompt admission of foreigners, upon arrival, to the union of their trade, a fact dwelt upon in the *Century*, is not done to favor them, but is simply following the custom of admitting all qualified men from anywhere, especially those who are already brother unionists. To exclude newcomers would strengthen non-unionism. But since then, one strong union of glass workers has attempted to check the coming of foreigners into its trade by charging them an admission fee of \$50 to \$100, against \$5 for domiciled Americans, with at least two other unions making such a difference, but smaller; while the American Federation, and unionists generally, have long sought to restrict immigration, and secured the enactment of the law of 1885 excluding immigrants coming under contract. Yet some preference for foreigners in a union composed chiefly of foreign members would seem unavoidable.

The Country Boy and the Unions. The belief that the native Ameri-

can is not wanted in unions may have been strengthened from such experiences as those of the young men graduated from Col. Auchmuty's school, in their efforts to get employment. Feeling against them might arise from the fact that they acquired the trade in a way deemed hurtful to unionism, if not positively hostile. Even the editors, or not a few of them, with no feeling of unionism involved, have seemed inclined, further perhaps than is warranted, to disparage the possibilities of schools of journalism. Moreover, the sentiments of the young men referred to would scarcely coincide with those of the working class in the cities. The typical American youth from a small town, especially a youth that would go off to a trade school, expects to be an employer himself, and is more intent on working hard and saving money than on righting class wrongs he has never felt. Hence, especially when he seems reluctant to identify himself with unionism, the "labor agitator" is not drawn toward him. But, except possibly in a few cases where the local union has abnormal monopoly power, he is promptly admitted, to keep him from strengthening non-unionism; and the preference of many employers for steady workers from the country probably balances any tendency of union foremen to select city men of their own class or nationality. Some unions are careful to teach that the foreman is the man to see for employment, and the custom is to ask for him, but many employers, especially the smaller, do the hiring, or much of it, themselves, while with the larger it may fall to a superintendent beyond union influence. Strong unions in New York encourage the hiring of men from the union rooms, where the idle must be taken in order from the roll, but any one may be discharged at once if not competent. The German printers (page 291) *require* employers to get their help at the union rooms. However, the young man from the country, when once in fraternal association with unionists, soon feels their interests to be his, and to a large extent shares their ideas, uniting more closely as he finds it impossible to become an employer. Their attitude and his arise naturally from experience and self-interest.

The Proportion of Foreigners in Unions. The foreign class probably form no larger proportion of unionists than of the total workers in the unionized trades. In New York city, overwhelmingly foreign in population, a union should be so too, especially if it were in a trade given over mainly to some foreign race. The Pennsylvania labor department concluded from an investigation that the proportion of foreigners was smaller in the unions than in the total of unionists and non-unionists together. At some places along the lakes local employers sometimes feel that a group of Swedes contentedly unloading a coal vessel might be stirred into a strike if an Irishman came to work among them. Here, too, experience and temperament have made each man what he is. The warm-blooded Irishman, having suffered wrongs at home for generations, could scarcely be otherwise than jealously watchful of rights and interests, sometimes perhaps finding wrongs where none exist; while the phlegmatic Swede, having had no wrongs to complain of, is only true to his nature and experience when he accepts conditions as satisfactory, and patiently makes the best of them. The need is to avoid going too far in either direction. In America, as elsewhere in the English speaking world, the English, Irish, and Scotch are found among the most

active unionists. It was among them at home that unionism originated, especially the English. Men of the native American class are probably not less ardent unionists when settled in life as city wage workers. Continental Europeans in America know the need of social reform in their home lands, and when not isolated by language, ignorance, or location, they enter heartily into unionism here. By nature self-interest will lead any people to embrace unionism when they come into the conditions under which it flourishes. To the English working class at home it is almost a religion. Their need for it is greatest, and the benefits they have derived from it are the largest and clearest.

Four-fifths of the mechanics and artisans of Illinois, as far back as 1886, were of foreign antecedents and habits. The proportion may be larger now. In Chicago farmer boys from the Atlantic states have proved least, and the Germans most, responsive to unionism. The foreigner, shut in at home between walls of caste and habit, follows his father's trade, while the American boy seeks to rise above his father, is averse to rough work, is not technically trained in school, finds the trades hard to enter and the workers not very congenial, and too often becomes a poorly paid clerk. The railway brotherhoods consist chiefly of Americans; some other unions consist chiefly of foreigners. Of the total of Illinois unionists in 1886, the native born were only 32 per cent. (Bemis.)

CHAPTER XII.

HIGHER WAGES FROM HIGHER PRICES.

Do Wages Depend on Price, or Price on Wages? The minimum wage of bare subsistence (page 129) has always been recognized; that is, a support sufficient to maintain wage workers in health, and to rear enough children to take their places. Price of a commodity cannot long remain so low as not to afford at least this minimum wage to the workers who produce it. Removal to other places or other occupations in the present period (starvation sometimes in periods past, and to some extent now in shortening of life), soon raises price by decrease of workers and of supply produced. If price must be kept high enough to pay this minimum, why can it not be kept high enough to pay more? This has been an important question in late years among British unionists. Wages for men as low as \$3.50 to \$6 a week are a more serious matter in Great Britain than in America. The costs of living are higher there, and such wages are received by a much larger proportion of the people.

The Demand of British Unionists for a Living Wage. however low the price of the commodity may fall, is being recognized; and in the sliding scale wage contracts in coal mining it is now agreed that under no fall of price shall men be asked to accept less than a certain minimum, deemed necessary for a decent support. Employers are thus giving up their favorite contention, that wages must continue downward with falling prices, though of course in this the bottom limit of enough to support life was always implied. The settled policy of these miners' unions is to stop work rather than take less than the agreed minimum wage, and thus to force employers to restrict production if price falls too low to afford that rate of pay. That if one has to starve he may as well starve resting,

is sometimes asserted by a person who has no intention to starve at all. The best effect is that employers give up thought of saving from wages, and find their gain in use of better machinery, and in more systematic marketing. Under piece-rate payment, this minimum support involves a guarantee of enough days of work per month to earn it.

A Similar Minimum Wage is Acknowledged in All Countries, less than which an employer, in deference to custom, would be ashamed to offer. The reasons why the question arose in Great Britain, instead of in other lands of low wages, are (1) that a larger proportion of Britons are engaged in manufacture for world markets, at prices hovering so near cost as often to threaten overproduction and suspension of work; (2) that employers, under these conditions, went furthest in giving up the old feeling of personal responsibility for employees' welfare, and in leaving poor relief to the state; and (3) that British wage workers, being more generally unionized than those of any other land, are more active in efforts to improve their condition themselves. The millions of workers in Continental Europe receiving wages lower than those of the British are assured an endurable measure of rough comfort by local customs of easy rent, of use of garden land, and of other help from the well-to-do. Some sections of British laborers also, at money wages for farm work in a few districts down to ten shillings a week (\$2.43), without board, are likewise provided for. The case is similar in the American South, with farm wages ranging from \$7 to \$10 a month and board. In the more progressive portions of America, by reason of large product, high wages, and cheap supplies, there was no occasion for rise of the question of a living wage until the comparatively recent crowding of people into industrial centres. There they have been subject to occasional want from failure of employment, have been too numerous for the local assistance given in rural districts, and have been unable to go elsewhere after the usual practice of Americans. The question of a living wage has risen in the anthracite coal field of Pennsylvania, where average employment of miners during 1893-97 was only 150 days per year—conditions in some of the soft coal fields being then as bad or worse; and the question is

now a pressing one among the sweated clothing workers in New York, who are too numerous for the demand in their trades.

How Far can the Standard of Living be Raised? It might be asked that if wages can be kept up at all by keeping up price, why cannot price and wages be raised in every trade until all are well paid? It looks as if something ought to be done in this way toward giving everybody a good living. A small addition to prices might be sufficient, so small as not materially to reduce sales, while the new order was being established. If a person's support still required, as previously, three-fourths of his income, the remaining fourth, with higher wages, would be a larger sum, enabling him to buy a home and become a substantial citizen. Higher wages would give workmen larger ability to buy and consume, and by making trade of every kind brisk would give larger buying ability to other classes also, and thus enable manufacturers to get back easily in higher prices the higher wages they would then gladly pay for the sake of cheerful and efficient work. Some labor leaders seem to hope for a good time coming by and by, when unions will be organized in every trade, and will include so large a proportion of all the working people that simply by their united demand wages of every kind will be made permanently higher. But is such a complete organization of men into unions, difficult as it may be, all that is lacking to secure abolition of poverty for those willing to work? If so, reformers in general ought quickly to become labor agitators and organizers.

Impossibility of Raising All Prices. The answer is that even if it were possible for all trades, with every workman in the country standing ready for a strike, to make at once a demand for higher pay, prices could not be raised to meet it, and if a strike were declared industry would stop a few weeks until want brought the strikers to terms. The workers would not have first the extra pay with which to raise prices by increasing their buying, and if it were granted them their buying of different commodities would not increase in the same proportion, and some industries having to pay the high wages would not have the demand for their products increased ac-

cordingly. Supposing that under higher prices the rich continued their buying unchanged, which would not be the case, sales of goods would fall off among the large farming class, depending on wheat and cotton, whose home price is fixed by demand abroad, in markets supplied from all producing countries. Prices of many other commodities also, that are largely exported, depend on foreign demand. Persons already living up to their incomes, and unable to raise their own prices, would be compelled to buy less under higher prices for the goods of others.

The Delusion in the Idea of good times by raising all prices, all wages, and all profits, arises from the thought of price in money, which thought has been the basis of the oft repeated agitation for inflation of the currency by issuing paper notes, and by unlimited coinage of increased and depreciated silver. Dropping the confusing idea of money, which has filled the world with fallacies, and thinking only of commodities, which are the things wanted, we readily perceive that to get more of *them* is the only way to get a better living. The quantity of one thing another thing will trade for, while the reasons for using them remain unchanged, depends on the quantity of each that is produced. Not considering debts, nor the blighting influence on business of monetary and price uncertainty, the settled quantity of money has no effect on present supply of useful things. If prices were set in dollars for comparison of values, and barter could be made convenient, things would exchange for one another as at present if no money were used. Eventually it is all commodities for commodities.

The Only Ways of Escape From Wages Kept Low by Low Prices are expressed in the commonplaces stated in previous chapters. The employer, whether or not high wages press on his profits, makes price as high as he can. Generally he must simply make the best of a low price until it rises naturally from causes beyond his control; as from better crops giving farmers more with which to buy; or from decrease in output of his competitors, as when their mines or forests begin to fail. Sometimes he gets a better price by raising quality, or by finding new markets, and sometimes he gets more profit from the

same price by lowering cost with improved machinery or with cheaper materials. The only remaining way to raise a commodity's price is by combination of its important competing producers into a monopoly trust. Besides being impossible where competing producers are numerous or are scattered over different countries, or where the industry is easily entered, this method involves a diminution of output, so that at the higher price none will be left unsold, and hence not only gives the people less of the commodity to consume, but by reducing employment and leaving men idle the workers of the industry are rendered less able than under a natural rise of price to secure a share of the added profit. For a union to force a rise of prices that are too low to afford reasonable wages, it must bring under its influence all who might take its men's places, and then have those of its men leave the trade who would be left idle by the reduction of output necessary to make price higher. This can properly be done in some cases, but a surer way is for men to escape individually into better paid trades at home, or to go to other states or countries. Individually raising the efficiency of one's labor, to retain which the employer will share its added value in higher wages, can nearly always be done, but would perhaps be poorly rewarded in a trade under the condition here considered. To get away from such a trade would be safer.

What if Higher Prices Should Diminish Exports? Fear of this effect on British trade, which eighty years ago was strengthening the nation more rapidly than ever before, was perhaps the main reason why the demand for higher wages by overworked and underfed people was then so unfeelingly disregarded by the public. The same cry, as to effect on trade, was raised all through the nineteenth century when factory laws were passed, shortening the work day of women and children, or when concessions of any kind had to be granted to wage earners. Each time the same gruesome prophecies were made, that higher wages or fewer hours would raise cost of production, necessitate a rise of prices, diminish sales in foreign lands, and drag the nation quickly into a decline. Until recent years the result was always the opposite. Better pay and more healthful conditions increased the worker's energy

and skill, which, with better machinery, enlarged the output, and brought the cost per unit of product lower and lower.¹

Not to Accept Low Wages for the Country's Sake, a settled principle of unionism, has therefore been to the country a source of inestimable benefit. As a rule in business, to do one's best for himself is also to do one's best for his country. Excepting perhaps specially needed men of talent, this is even true when one emigrates to another land. Those left behind are then less crowded, and need not work so far out on the margin of poor land or poor mines. In a colony the outgoer builds up an addition to his home nation, while in a foreign land he adds to his home nation's influence and opportunities for trade. The right to emigrate has been freely acknowledged in modern times, excepting some limitation that Germany and Russia have deemed necessary for recruiting their armies. Readiness to stand idle, or to move, is the main element of strength in unionism. When a union does not shut men out of its trade, it is usually justified in getting wages as high as it can. Its demand for excessive pay will then be checked by inflow of new men, by the leaving of its own men idle through decrease of sales, or by the employer's closing of his factory before rising labor cost of his product shuts him out from his foreign markets. Perhaps the occasional driving, by demands for higher wages, of an industry from England to the lower wages of Germany, is a necessary cost to unionists of finding the line at which rise of wages must stop.² After such an

¹How it is that High Wages Lower Cost of Product. As a rule, the higher the wages the lower the cost per yard or ton of product. Starting with bare support, additional pay, when rightly used, first strengthens the body, and then indefinitely upward, giving a better living, improves the intelligence, capability, and general character. But the necessity on the worker of earning higher pay, in order to retain it (of earning it better than low pay is earned by others), is probably the main reason for the desired result of falling cost of production, though ranking closely with it is the employer's effort to offset high wages by getting promptly the best machinery, and by following vigorously the best methods. However high the pay, except perhaps in old, unchanging communities, and except in work for a government body, the desired quality of product is obtained most cheaply, or in time lower-priced men would be found.

²Driving Abroad Those Industries Unable to Pay Living Wages. The manufacture of bottles, and several other British industries, are said to

unfortunate experience to one union, other unions would encourage, not oppose, use of product-cheapening machinery and of expeditious methods. In taking in wages all above necessary profits, the British cotton workers judge accurately what wages the export trade against foreign competition will bear, and never close by their demands a factory that is properly managed and equipped. American tin-plate workers agreed in 1902 to a slight reduction of wages, in order that the Standard Oil Company's large contract for making cans might not be driven to the Welsh.

A Minimum Wage Fixed by Law, among other radical concessions to the working classes, has been demanded in Great Britain by a growing party of men of socialistic ideas, which first became prominent in the spread of unionism to unskilled workers after the London dockers' strike of 1889. This move-

have been driven by unionists to the Germans, who now supply the British demand. (*N. A. Review*, Aug. 1901.) A number of British manufacturers also have from time to time built factories on the Continent, but more for the sake of avoiding the high Continental tariffs than to obtain cheaper labor. Firms having factories both in England and in France have found the British labor cheaper at high wages than the French at low wages. A protective tariff, instead of the present free trade, would hold industries in Britain, but only by means of high prices falling on consumers as a tax. When by a change workers are able justly to get higher wages than an industry can bear, it is their personal duty to get them, letting the industry go abroad. It would be well for England if such sweated trades were driven away as better machinery and management could not hold under living wages and living hours. A nation wants no trade at the expense of its people's life. When in opposition to the earlier British factory laws it was said the wheels of industry would stop, the answer was to let them stop if they could run only by grinding out the lives of children. Before it becomes necessary for some thus to perish in order that others may prosper, the earth's resources will be utilized infinitely more closely than has been the case yet. Inflow of cheap goods from an industry driven abroad will never harm a country. Bargains are thus obtained, paid for by exporting home goods yielding higher wages and higher profits. Falling of the general level of prices at home, making home goods cheaper and threatening dull times, soon stops export of gold to pay for foreign goods. In the end they are paid for with home goods. It is a fact to rejoice over, not to regret—as some are led to do by the doctrine of tariff protection—that American wages are too high to leave any profit in growing tea. We can leave tea growing, with many other kinds of poor business, to foreigners who have nothing better to do. Besides, we must receive goods of some kind from them if they are to be able to buy the goods produced more profitably by us.

ment has also influenced the old established non-socialistic unions to lay added stress on the idea of a living wage, a decent support, as every worker's right, regardless of prices. The results attained so far in Great Britain, besides the admission of many employers that wages cannot follow falling prices very far, include a general practice by government bodies of paying wages higher than would be necessary for getting efficient men, and an agitation that promises soon to secure government pensions or some other systematic relief for the aged poor.

Experiments in Australasia. In New Zealand, under the compulsory arbitration law of 1894, the arbitration court has habitually fixed and enforced such wages as it deemed just. New South Wales has gone somewhat further with a similar law enacted in 1901, perhaps the most radical act of modern times, and Western Australia also has followed New Zealand's example. Victoria's law of 1896, empowering a city board to determine the number of apprentices, and to fix minimum wages, in baking, clothing manufacture, and several other trades deemed like these to be sweated, has not been extensively applied. South Australia's law of about the same time, providing for some compulsion in fixing wages by arbitration, has been a dead letter. These are the only countries, it seems, since the practice fell into disuse in Europe in the eighteenth century, that have attempted to fix the wages to be paid by a private employer. Trade unionists in America have been active and successful in inducing the nation, the states, and the cities to pay at least the full union wages in public work, and to fix the day in such work at eight hours; but fearing inability to meet capitalists on equal terms before the courts, American unionists have opposed compulsory arbitration and its means of fixing a minimum wage by law. Throughout the world the socialistic tendency of labor unions leads many of them to demand, or hope for, laws prescribing a short day and a minimum wage.

On Whom Would the Burden of Extra Pay Fall? Deferring to another chapter a discussion of compulsory arbitration, it can be asserted with confidence that in any civilized country the placing of private wages by law, apart from where they

would otherwise stand, would bring bad net results. First, those unable to earn the prescribed pay would get no work at all, so long as others were to be had. The New Zealand court's permission of old men to take less is a confession that to sell labor, or anything else, the price must be regulated by the buyer's estimate of value, and by varying supply and varying demand—as it would be regulated among intelligent people without any wage law. Second, if not enough workers were at hand whose product value would admit of the wage rate set, production would drop to the point to which sales were diminished by addition of the extra pay to the price. Persons buying the commodity would be taxed the extra price and that portion of the commodity they went without; the support of the men left unemployed would fall on the public as a tax in charity, so far as public work provided for them was done at a loss, and the country would have fewer supplies by the amount that production was diminished. Among people intelligent enough to go from one place or one occupation to another, raising the pay of one set of workers, above the level of the pay of others in their grade, would check industry by causing a shifting of population. Some British cities paying above the market rate for public labor, the excess being in effect a charity dole, have thus attracted men from other places, increasing the local trouble of unemployment and of charity. Wages could not be raised for all, because farmers on poor land, and many other small employers in minor industries, must pay low wages or none. Except in public employment, where, with taxation to fall back upon, value of product need not at first be considered if laborers can outvote property owners, thoughts of raising wages by law are connected with socialistic plans for turning industry over to the state. But then there would be only the annual product to divide, and this would soon dwindle away if there were a noticeable departure from the present practice of paying each according to the market value of the labor or commodity he offers. One person will not long do or offer more, when another gets as much for doing or offering less.¹

¹Living wages for the poorly paid, by increasing wealth and benefiting everybody, instead of by putting industry under a blight and bringing all to poverty, are discussed in Chapters XIV. and XXII.

Australasia Will Solve the Problem of determining what can be done by law in directly fixing wages and shortening the work day for private employers. Wage workers, and believers in their plans, have there larger control of government than in any other land, and indications are that they will not stop until a number of socialistic proposals have been tried. By the arbitration court of New Zealand, high wages and a short work day are being compulsorily extended to all industries that can raise prices accordingly. Victoria and New South Wales are now following the same policy.

The Outcome of All This can scarcely be viewed as doubtful. The state must stand prepared to support men whose labor is not worth the pay set by law. In time of business depression, when the voting influence of workers would not let wages follow prices downward as under competition, an army of men would be left idle. Supporting them with public work at seven shillings a day (\$1.72), as New South Wales has done on a large scale, spending \$981,000 in the one year 1895 (her population is only 1,600,000), would soon begin to dry up rapidly the state's sources of revenue. Work thus provided on roads and parks to help people, who hold their jobs not by what they do but by what they need, is not rich in results. Not much is done, and that is of no immediate use. The more the men thus employed, the smaller would be the country's output of food and clothing, or of things to exchange for them, and scarcity would soon appear. Increased taxation, to pay for such labor, would encroach on capital used in production, and thus deepen the business depression, making smaller still the output of supplies and the amount of private employment. The state could not long borrow to support men producing no salable goods. If it gave up the seven shillings a day in cash, and put the men to work on land, the crop would be far off and uncertain, and at best any labor thus provided for by the public would do well to yield board and shelter. Putting the men under strict task masters, and enforcing some system of slavery, might increase the crop, but not to the standard of the farmer paying market wages. To such a dilemma socialism must lead—to compulsory work or to wholesale starvation. To suspend the living wage law in dull times, in order that

production of useful things might continue, and deeper suffering be averted, would be to abandon its purpose. In good times wages are high without the law. More pay for a man's labor than market value of its product determines will never be obtained by any scheme of law without taxing others unjustly, and diminishing their employment and supplies. Under such pay private employment ceases, while in public employment the excess of pay is a thinly hidden charity dole, and has the usual effect of the latter toward blighting industry and character.¹

¹**Australia's Woes Under Too Much Socialism.** Unless fully accounted for by the prolonged drought, the report from New South Wales in July, 1902, that the government had borrowed £3,000,000 to carry on relief work for the unemployed, after the great prosperity of the last few years, indicates that the results outlined above are coming in due order. Recently many persons have been leaving Australia. The population there has been not a little demoralized, and brought toward helplessness by free spending of public loans. Several of the colonies are so deeply in debt that solvency is in doubt. (*Public Opinion*, Jan. 8, 1903.) Dr. H. T. Burgess of Australia says (*The Independent*, Oct. 23, 1902, p. 2527), that these colonies are the most overgoverned communities in the world, and are now trying to reduce the size of their legislatures by half. Heretofore, by the votes and influence of the horde of officials, proposals to reduce their number and their salaries have been defeated. In 1902 the Victoria state railways were menaced with a strike over wages by 10,000 employees, supported with a sympathetic strike of 9,000 others in the civil service. The strike was narrowly averted. In Australia's commendable effort to take their excessive power from the rich, she has gone to the other extreme and given it to the bureaucracy, making her last state worse than her first. "Chronic financial depression, extravagance, government deficits, and increased public debts have been features of the general situation in Australia." (*P. S. Quarterly*, Dec. 1902.)

Effects of Victoria's Minimum Wage Law. The boards provided for in 1896, to fix compulsorily the wages, hours, and apprenticeship of six sweated industries, were authorized in 1900 in twenty-one other industries. The factory inspector enforces the orders of the boards. The act has stopped most of the sweating, but it is a question whether sweating has not given way to other conditions as bad. Many unable to earn the wage fixed have given up work altogether, or evade the law by taking less. "In the factories the wage is paid, but a task system, necessitating a certain output, is often in vogue." There being no provision for the slow worker, he loses employment and suffers. Expectation of equal pay is natural under the socialistic ideas prevailing; excepting the slow would really be abandoning the purpose of the law. The aged and infirm, with whom the inspector kindly classes many, are given a permit to work for less than the legal wage,

The Departure from the Supply and Demand Rate, under any law fixing wages, must be very slight. Close to that rate, whatever the law, the employer's payment will be held, by

but employers are chary of hiring them, objecting to having the public know that they are paying less than the legal wage—another boomerang effect of unionism's too great insistence on maintaining a full rate. Here, as in New Zealand, payment above market value of work done is an artificial tax on consumers in higher price. The coming inter-state free trade in Australia is regarded by Victorians with forebodings. Thoughtful people, including wage earners, are apprehensive for the future. (*U. S. Labor Bulletin* Nos. 38 and 40. *Rev. of Rev.* March, 1902, p. 350.) The inspector considers the results beneficial in apprenticeship, since, by reason of the increase of wages required by law each year, the employer sees that the apprentice learns, and the apprentice knows that he *must* learn, in order to earn the extra pay, or lose his position. But such help by law must make workers incapable of caring for themselves. In America the boy himself, and his parents, see that he has a chance to learn, and that he is properly paid each year, or he gets another position. Not often can a boy be held back in drudgery at low wages who could do better. The trouble is usually in the boy's unwillingness to take time to learn, being attracted to other positions less desirable in the end, but affording higher pay for the present. And only by teaching the sweated to earn more, or to go where their labor will bring more, can anything be done for their wages beyond mere charity assistance. (Chapter XXII.)

The Darkest Hour Before Day. In May, 1903, the engineers of Victoria's state railways, being forbidden by the government to have their union affiliate with a central body which they were to obey, threatened to strike within a day if the order was not rescinded, and did so strike, paralyzing business, and placing cities in danger of a shortage of food. But their action was deemed an attack on the state, a long premeditated revolt, and a special session of Parliament, heartily supported by the public, enacted at once a law making the leaving of railway work thereafter, without four days' notice, a crime punishable with a year's imprisonment. Within five days the engineers surrendered unconditionally, the state refusing to hear proposals of compromise. Other evidence that Australian democracy is not, as seemed probable, to prove a failure, is the election now of new men to office, with a change of policy from big loans and huge public works to resolute economy and less interference with liberty. New South Wales has increased her debt by \$50,000,000 in three years, and Victoria is losing 16,000 people a year. The labor unionists are so opposed to admitting needed immigrants, to letting others live, that they are having trouble to live themselves. Yet Tom Mann, a noted English unionist, is hired in Victoria to agitate for a six-hour day and a Henry George tax on land. Dr. Fitchett of Australia says Victoria's wage boards are "hopelessly discredited;" that "it is proved that the legislation intended to serve the working classes has seriously injured them." (*Public Opinion*, July 2, 1903.)

exacting faster work, or by suspending the less profitable parts of his production. When he hires, it is labor *product* he buys, and he takes only so much as will admit of a profit at the selling price of his goods. New Zealand's laws providing that girls in factories must be paid at least four shillings a week, boys five shillings, and women at least sixpence an hour for overtime, are perhaps an allowable method of prohibiting work by persons too weak to earn the sum fixed, and to prevent taking advantage of persons unable to bargain. The weak are thus restricted to less exacting work in domestic and farm service. But they and their country would very probably fare better if in bargaining on wages they and their parents learned to protect themselves, leaving to the state the fixing of ages, hours, ventilation, etc. For any loss to the employer from the New Zealand law closing factories Saturday noon without deduction from pay of time workers, one can imagine how well the employer reimburses himself by taking that half day's pay, and more, from the weekly wage, or by doing less hiring, as indicated in chronic unemployment. Thus is his trouble from uncalled for laws charged up.

The Fixing of Wages by Magistrates in Past Centuries, for which, to protect the weak from being imposed upon, there was then some reason in the ignorance and immobility of the working class, was evaded where it placed the rate above the natural level, and fell into disuse from preference by both parties to bargaining for themselves. Those prices of commodities that were fixed successfully by custom and law in the Middle Ages were placed about where in a stagnant society they would have remained without the law. Evasion and going without sufficed for the few changes of demand. Aside from such functions as holding the unscrupulous to healthful conditions by means of mine and factory laws, and from adhering to justice and wisdom in all its activities, the only wholesome way in which the state can raise men's wages, it is sufficiently true to state repeatedly, is to teach them to produce something worth more, to bargain to better advantage, or to sell their labor where its price is higher. It is perhaps well for society everywhere that the Australian experiments are being

made. They may not be carried far enough to cause large and permanent harm, and may have some effect to turn the hopes of wage workers away from the impossible, into a field of self-improvement capable of wonderful results.¹

'Prices are Fixed by Law for Hackmen and street car companies when the license or franchise agreement is made with them, by which they are permitted to use the streets. Railroad companies also, when they enter the business, know that passenger rates are fixed by law and may be changed, and that various regulations may be made for public safety. To imposition of the latter regulations all kinds of business may be subjected. But to such servants of the public as hackmen and railway companies, people are often unable to refuse an extortionate price if it were demanded. Laws fixing price are therefore necessary here that would be tyrannous if applied to other occupations. Imposition of unjust rules on hackmen would be prevented by its effect to drive some from the business, or to make the service poor.

It is fixed high pay secured without aid by constantly deserving it that gives the splendid results portrayed on page 298. Fixing the rate by law has opposite effects, as explained in this chapter, making workers dependent, and bringing ruin in many respects. (See chapter XV. for effects of high pay in public work, and chapter XIV. for effects of guaranteeing employment.)

CHAPTER XIII.

HAVE WAGE WORKERS OBTAINED THEIR SHARE?

In Some Cases They Have Not. That the working classes have not received their just share of the benefits of industrial progress is continually asserted by their writers and speakers. Such has undoubtedly been true in some cases.

Where Higher Pay Would Have Lowered Cost. First, withholding of just dues from workers has taken place, or in reaching out for these dues they have failed to get them, in all cases where additional pay would have so encouraged them as to increase their product value by a larger amount. In such a case the worker, the employer, and society were all injured. All too may have been in fault. The employer may have exerted his superior power further than a good conscience would approve. The workers may not have done their best in showing that they deserved the increase, or in persisting in their demand, or in avoiding strike violence, with its injury to their cause. Public opinion may not have been sufficiently active in efforts to find out and support the right. There were many cases of this kind in England before 1850, and not a few of them have occurred in recent years in different lands.

Where Cost Would Not Have Been Increased. Second, workers have failed to get their dues, and society has been injured, in those cases in which increase of pay would have increased work and product to an equal extent, not raising the product's cost, and in which the higher pay would not have been more than a reasonable step above the pay received by the same grade of skill and effort in other occupations. Workers in the latter would then have been encouraged to seek a similar raise, earning it in the same way when granted, and by reason of its moderate amount new men would not have been attracted into the trade to lower it, nor would its retention have

involved their exclusion by means of union monopoly. By such steps a rise of wages begins and spreads, from city to city, and from trade to trade.

Where Pay Was Held Below the Average. Third, workers have failed to get their just dues in all those cases in which, whether product was thereby cheapened or not, the wages were lower than the average received by the same grade of skill and effort in other occupations, and remained lower for a longer time than ought reasonably to have been required to raise them. If because of this lower pay, in such cases, the goods are cheapened in price, and the deficiency of pay is not so great as noticeably to affect the health and progress of the workers, there may be no material injury to society; yet as a rule it will suffer a net loss from cheapening of goods in this way. The amount of the deficiency of pay would be more useful to society if devoted to elevating the living and capacity of the workers, than when falling in lowered prices to consumers.

Where Workers Were Sweated. Fourth, the loss to society and to the workers is greatest when their pay is not only lower than they could earn in other occupations if they knew how to enter them, but is so low as to cause waste of health and of labor capacity. The amount taken from cost of product by means of such wages has been properly called the price of blood. And without thus bartering away human life the product could generally be made cheaper still. The connected lowering of vitality tends to make the product cost more money to the employer, saying nothing of the irreparable loss to the workers and to society, than it would cost under better pay. There is a similar waste of life and of labor power, and usually with increased money cost of product, when the work day is too long, and light and ventilation bad, or the danger unnecessary.

Who Deserves the Blame? As in the first class of cases, the blame in those described in the second and third paragraphs may rest in varying degrees on the employer, on the workers, and on society. In the last class of cases it mainly rests on society alone. The workers here are generally too weak to help themselves. The employer too may be bound

by competition from others in the trade, and may not have sufficient influence to change its customs.¹

Who Obtained What Was Kept From the Workers?

There is little basis in truth for the feeling that what ought to have been added to wages has been retained by employers as profit. The harrowing picture so often drawn by socialistic and labor writers, of hundreds toiling life away for a pittance that one rich man and his family may roll in luxury, is an untrue indictment of the present competitive order, except so far as society has failed to do its best to remedy abuses, and to teach the workers to get the most from their earning powers. Under any other than a competitive order the workers, more than the abler or shrewder classes above them, would fare infinitely worse than they do now. There need be no hesitancy in repeating that under socialism society could not produce enough to keep the present population alive; and that the shrewd or strong, as always in times of disorder, would have far greater opportunity than at present to prey on the weak. Profits are not now high. On the contrary, the complaint of the smaller employers and tradesmen is that profits have fallen too low to afford them a living, and for this reason they are, in many lines, fast dropping out of business. The majority of larger employers also, in the keen competition to render best service to the public in order to get trade, must be content with profit very low in rate—to be made large in the aggregate only by serving a wide circle of people. The workers certainly have gotten their share of the resultant cheapening of supplies. It is mainly in the goods bought by *them* that cheapening has taken place. To some extent the rich prefer expensiveness—a fact that dealers often heed, by placing on goods designed for them a rate of profit very high. And the capitalist's share in interest, partly by reason of modern safety, has fallen very low, as explained in Chapter II.

The Falling of Rates of Interest and Profit has come by increase of capital and growth of industry, both moving faster than increase of demand for them. In this matter, the rich, as a rule, have not been at fault. They have been turning more and

¹Remedies for the evils of these last cases will be discussed in Chapters XVIII. and XXII.

more away from the personal luxury of former times, and have been saving their incomes and using their energy to increase their wealth, but to lower their rates of interest and of profit, by multiplying society's capital and flow of supplies.¹ Where neither competition to hire among employers, nor demand by workers, has raised wages, the increase of product has gone to workers and all others through lower prices.

¹The Rich Get Only Their Living. Their ownership of their wealth does not make it belong any the less to society. All they get from it is what they consume during life—their board, clothes, and pleasures. The case is the same with their descendants. All besides what the rich personally consume goes to society, as truly as if the government owned everything, and is far more justly divided than would be possible under the rule of a bureaucracy of self-seeking officials. The capital of the rich in factories would not produce so many goods if the people owned it, nor to get these goods would the people have so many products of their own to exchange. Under socialistic ownership of land and capital, the people of each village or township, as at present, would have for use and exchange only what they themselves produced. As shown in Chapters I. and II., society could own land and business only by first taxing itself the amount of their invested value, and then by charging interest and rent as at present; while it would have to bear all risks, and under state officials, with no wide field for private gain in proportion to effort, production of abundant and improving supplies would be impossible. Private ownership secures such production to the utmost, relieves society of the risk of loss, throwing it on private owners, and develops in the only possible way the intelligence and character essential to civilization.

The Rich Man is Society's Servant, as a manufacturer, and its steward as a capitalist, whether he chooses to be or not; and generally he does best for it when he saves his money rather closely, putting it into better machinery, and when he seeks gain eagerly but honestly, getting more of it by giving the better values that increase sales and increase as much the benefit to the people. However, when the rich employer's business no longer needs his attention, having reached perfection, and being in the hands of able assistants, he avoids shortening life and losing character by sinking into luxury when he takes up, like Mr. Carnegie, the inestimable social service of placing before society the knowledge for lack of which so many of its ills come. But here, since the stocks and bonds given by Mr. Carnegie are those of steel works, the only addition to his stewardship is in giving his labor of thought and the bond income, which might otherwise be spent in luxury by heirs. The stock and bond principal would still be in society's service, however wastefully the income were spent. His thought is given extra only so far as it would otherwise be devoted to pleasure and not to manufacturing.

Conscious Injustice in Preventing Rise of Wages has probably existed to a very small extent. The struggles of the English working class to rise, when their condition was at its worst, were met by the upper classes with a resistance that in the experience of the latter could scarcely have been otherwise. Few of the rich were sufficiently independent in intellect to be held responsible for the character of their inherited ideas. Even when employers combined to break up the earlier unions by law, they felt that workmen were doing wrong in organizing; and for paying starvation wages they were partly excused by a vicious poor law (such an arrangement in effect as socialism demands), whose administrators stood ready to make up to any family insufficiency of support. In later times employers resisting unions have generally felt sincerely that their workmen were in the wrong, and the fair-minded public has often thought the same.

The Fault of Each Class Has Been Balanced by Its Own Loss. This seems to be about the truth, as shown above, concerning the responsibility for the failure of the working class to get their full share of the benefits of progress. Employers, for their part in keeping wages lower than they ought to have been, have suffered loss. The capable employer who pays the highest wages that can be earned, gets his product at lowest cost per unit, and attains highest success. For the failure of public opinion to do its part, society has lost, from the effect of low wages to hold back the progress of workers and of employers, to retard thus the cheapening and improving of product, and hence to waste a portion of productive capacity. The loss of the workers is clear enough. They have been in fault so far as they have not done their best to lay hold on sound knowledge, nor to increase the net value of their work by avoiding waste of time and of material, nor to spend their wages wisely. Being responsible only for use of what intelligence and will power they have, their collective loss perhaps has overbalanced their fault. To that extent they have been victims of circumstances—of being born into conditions not more favorable to them.

Whose Fault Has Been Greatest? Yet the wider knowledge of the employer often falls as far short of reaching his

inherited prejudices. Perhaps, in his higher task, he has done no worse in failing to perceive and follow the wisest course of gaining most from workers by uplifting them, than they have done in their simpler task by failing to get good through not actively deserving it. Perhaps the proportion of employers dealing rightly with their help has been as large as the proportion of employees showing the diligence to be properly expected. The smaller employers, doubtless the large majority of all in number, generally deserve all they get—practicing self-denial, working far more intensely than their hired help, and sweating the latter no oftener than being sweated by them.

Could the Whole Experience Have Been Otherwise?

Hence, so far as wage workers have not received their full share of the benefits of progress, the blame, it seems, must fall at last on nature. She has taught mankind nothing better than the slow method of progress that has been followed. While individuals in every age have blamably failed to perceive all that their light revealed, and to do all within the will power they had, thus holding themselves and society back from good within reach—it is still true that the whole matter of the common people and their rights has been working itself out according to nature's plan. With the forces there were, though alterable to a considerable extent by human effort, results materially different could not have been expected. Very few persons have been guilty of deliberately exploiting the workers, as the socialists and their followers have charged. Any of us at the same time, and with the same experience, would have done about the same as the typical employer or wage worker of the past. To harbor now bitter feelings over the matter causes further harm. From what has been suffered and learned, we have a light for the pathway of present and future progress. All advancement with humanity has come in the same way.

The Main Fact for Wage Workers to Know at present is that a man's right to wages is fixed by the value his work adds to materials, less the rent, the interest, and the profit which in the present supply and demand of land, capital, and management people stand ready to pay. If all land belonged to the government, people would pay present rents to get their choice of locations; if it allotted land free, they would then pay rent

to one another. If the government owned all capital, and the people were not too dull, there would be the same payment of interest, either on direct loans from it, or on sub-loans to one another. Nature gave managing ability its command of profits by making it scarce and necessary. A business will not run itself, for the same reason perhaps that patient cultivation must be given to a crop. To know what to do is generally harder than doing it. A government could change these conditions only by forcing managing ability to serve for less than full profit, though where forcing is done it is generally ability that does it. This forcing of ability would weaken its incentive, diminish the output of society's supplies, and bring poverty to all. As a public slave an employer will work no better than will a slave laborer. The employer insists on having all that his management will sell for, on the same principle, and with the same justice, that a unionist engineer on a railway demands and gets four times as much pay as a section hand. The entire system of human life is adjusted by nature to the principle of value received, fixed by demand of supply; and even before exchange grew up, each man of the barbarous family received from its products in close proportion to the desirableness of the fighting or hunting he did.

Wages Must Depend on the Value of the Worker's Own Output. Except so far as assisted by public education of various kinds, and by such laws as result in permanent benefit to society, every man not needing charity or special sympathy must hereafter, as at present, contrive for himself to get more for his labor—by demanding more through his union, by doing more or better work, or by going where the price of his labor is higher—to another employer, another place, or another trade. For low wages these are the only remedies. Where the value of a man's product will admit of only a dollar a day in wages, payment of more would be making him a gift of the excess, as everybody understands, and would be obviously undeserved when three-fourths of the earth's inhabitants get less than half of it.

Charity Must go First Where Need is Greatest—to those who from sickness or other defect are unable to earn a small part of a dollar; and from its effect to lessen effort, charity can

be rendered only where other relief is impracticable. That the selling value of a product affording only a dollar a day in wages is as low as it is, may benefit a hundred poor consumers where it harms one poor producer, though this is no reason why the latter should not get all he can justly. Except by the slow method of introducing a commodity among new consumers, its value can be raised only by reducing the supply, and reducing accordingly the employment of those who make it and the enjoyment of those who consume it. And even if value rose from natural changes, the worker would have a right to more pay only so far as inflow of equal skill, receiving less in other trades, did not increase product and lower value to its old level, or did not by increasing supply of labor restore the old rate of wages. The right of one worker to higher wages is subject to the right of all other workers to come in and divide with him the chance of getting more. It is unjust to them, and to all consumers of his product, for him to receive more than they except so far as greater skill or effort raises the value of his service above theirs. Without monopolistic exclusion of apprentices and others, and among people knowing enough to go where they can earn most, differences in wages gravitate closely to differences in natural value of the service paid for. In the competition among employers to hire labor, and to lower prices to buyers, there are few cases in which a person's wages long remain too low in proportion to the selling value of his labor's product. It is mainly by lowering prices of goods that benefit to humanity comes. Such benefit reaches everybody. Rise of money wages comes to a few at a time.

Society's Part in Regaining the Profits of Monopoly. To improve opportunities and cheapen supplies, that every human creature may get the best living possible, society is now endeavoring, more earnestly than ever before, to correct the evil or outgrown customs by which wealth is attained without rendering a just value for it. Perhaps the most important of these reforms just now in America is to withhold for the public, by lowering fares and improving service, by sale of franchise and by taxation, and eventually perhaps by public ownership to a large extent,—all net income above a fair profit in public

service monopolies, such as railroads, telegraphs, telephones, street cars, and gas works.

Taxation of Land, Inheritances, and Incomes. Another needed reform, as set forth in Chapter I., is the assessment for taxation of all land in cities, whether occupied or not, at its full value. In this way, raising assessment as fast as the rise of value, society can take its share of the unearned increment arising from growth of population. The remainder of the increment will be no more than a just return to the owner of a vacant lot for carrying its value without annual return, and for bearing the risk of decline. A third reform is to tax the transmission of property by inheritance. This is necessary to prevent later generations from enjoying large incomes from society without rendering any service at all. The desirableness of wealth, and the motive for accumulating the capital that makes civilization, depend somewhat upon transmission to children; but inheritance taxation can doubtless be carried far without weakening that incentive to the extent of public injury. A very desirable effect of such taxation would be the use of wealth by many a father, while living, to educate and set up his children, and make them independent in caring for themselves, thus developing their minds and characters to the greatest usefulness, instead of injuring them and society, wasting their ability, by leaving a fortune for their support in idleness. If thus brought up in recognition of the disgrace there is in having no useful occupation, so many of them would not, as at present, prostitute their resources to the pursuit of sport, not as a healthful recreation, but as life's chief concern. Taxation of incomes also is coming to be an approved method of placing a share of the public burdens on ability not otherwise to be specially taxed. It reaches effectively those of the salaried and professional class who receive good incomes but do not possess taxable property. The British income tax yielded \$175,000,000 during 1901. None of the taxes mentioned above can be shifted on to others by being added to prices.

Reform of Tariff, Corporation, and Patent Laws. A reform to disentangle the most subtle web in which the public has ever been entrapped is a gradual readjustment of the tariff to the needs of revenue, that labor and capital may not be

wasted in producing things not naturally worth their cost in this country, the deficiency being made up by a contribution levied through the tariff on consumers. Another needed reform is a revision of corporation laws, that vast aggregations of capital and power may be held back from preying on the people through monopoly, and confined to their function of securing gain by improving service. Some changes in patent laws also are needed, that encouragement in invention may not give rise to monopoly trusts. Present progress is promising in most of these reforms. They are being rapidly introduced by the different American states. Decided advantage to the public may be expected from them, in cheapening services, and in relief from some of the present burdens of taxation. But they may change but slightly the aggregate conditions of getting a living. Each worker will still be under the necessity of accepting wages fixed by demand and supply of his labor product, and of changing that product, or his sale of it, if he would fare better. Delay in bringing about these reforms is not distinctively a withholding of dues from wage workers. Losses from delay fall on other classes as well.

The Rich Have Been Growing Richer, because with their capital and enterprise they have achieved wonderful things in the service of society. Princely rewards are not begrudged to the multitude of strenuous men who have conquered nature for man, with great railroads, ships, factories, and mines. It is rapid progress, desired by all, that has made rapid accumulation of private fortunes. When progress and change are checked, accumulation will be checked also. Without the system of large reward in profit, the world could not have the present rapid growth of capital, nor its increasing output of consumable supplies, in whose quantity and quality the utmost is attained because the capital is privately owned by men who get the full profit afforded by demand, but must bear all losses from their own mistakes. Society knows no other way of attaining a comparable measure of welfare for all. If the state itself undertook to introduce the new inventions, and to carry out the unproved enterprises, those citizens desiring to help forward such movements, led only by disinterested regard for the public welfare, would be few and feeble compared with

those desiring to utilize the movements for their own selfish gain, by selling the state materials at high prices, or by being hired by it at high wages. Private gain from harmful monopoly should be withheld by the reforms outlined above, but not the great profits of men with ability for carrying on society's business. Such profits are earned with service great none the less. Payment to these in profits exceptionally high is balanced by service from the less capable employers at profits exceptionally low, or not realized at all. Between the two extremes comes a fair average for all, which average the employers, and those who might enter their ranks, set for themselves by the readiness with which they take risks. In introducing the inventions and carrying out the enterprises of progress, certainty of reward will never be the condition until men can look into the future as into the past, and see the end from the beginning. So far as the vast gains of the multi-millionaires have been secured at some social loss—as in street railway franchises obtained corruptly, or in stupendous trusts built up from unlawful favors in freight rates—the millionaires are not more to blame than the people themselves. Who would abuse the cows for getting into the corn when the gate is left wide open? The people will continue to suffer such loss, and will deserve it, until enough of them give up themselves the same kind of unscrupulous scrambling for special favors or questionable gains, and seek personal advantage through honest discharge of their duties as citizens. The millionaires are no more ready to exploit the public than are those socialistic wage workers who in public employment force wages too high and output too low.

The Poor Have Been Growing Richer Too, along with all above them, both in higher wages of money, and in the enjoyment of a better living from goods at lower prices. The poor might become richer for the moment by despoiling the rich of their goods; but under the civilized exchange method of getting a living there is no way by which the poor can continue to prosper except by the present system of sharing (in higher wages, steadier employment, and lower prices) the business prosperity of the active classes above them. The needed reforms outlined above would prevent the accumulation of for-

tunes abnormal in size, but in the growth of wealth the differences between the acquisitive and others must long remain about the same as at present. If society is to have more goods and services to enjoy, the benefit to a man in gathering capital can now be but slightly changed, though the time will doubtless come when ability will turn more than at present from wealth getting to winning honors in real service to the public. The coming of this time can be brought about quickly if the voters, especially the most numerous class of wage workers, will only elect to office the able patriots willing to serve, instead of choosing otherwise as at present with motives so closely related to direct personal advantage.

The Notion of Poverty Growing Worse was derived from the socialists, who make present conditions appear as bad as possible, that favor may be gained for the scheme they have dreamed out for state ownership of all capital and of all business.¹ Any person past middle life knows that this notion is

Socialistic Exaggeration with Mr. H. G. Wilshire sounds as if he were joking, to make his speech entertaining. He says: "Wages, being determined by the unemployed man, always remain at the point which just gives the laborer a living. . . . To-day the mule gets the same quantity of oats he got fifty years ago, and the laborer gets the same quantity of food, regardless of the increased productivity of their labor." This is true of only the few whose pay is on the subsistence level, and the product of not many of them is worth more. To get the unemployed railway engineer who will suit takes \$4 a day.

"It is only the densest ethical ignorance that talks about a Christian business life, for business is now intrinsically evil; . . . there is no such thing as an ethical bargain, . . . there are no honest goods to buy or sell; . . . the hideous industrial war . . . makes the industrial system seem like the triumph of hell and madness on the earth." "I can neither feed nor clothe my family, nor take any part in public affairs as a citizen, nor speak the truth as I conceive it, without being stained with the blood of my brothers and sisters." (Rev. G. D. Herron, in 1899. Quoted by Peabody, "Jesus Christ and the Social Question," 306, 316.)

It is easy to perceive that the views of the writer of the above quotation, a man of ability and of good motive, have lost their balance—that the specks are on his own glasses, not on the society he surveys. Not referring to Dr. Herron, but to people in general, nearly any one may say from experience that those who complain much of society's selfishness are, though well meaning, unsafe to lend to or depend on; but that the ones to sell to and deal with are those who get all their own, including the so-called monopolists, who make few complaints but do all they promise, having enough to do it

grossly untrue. He remembers that in his youth people had nothing like their present living, though they were doubtless more contented, following yet the slower methods of old times, and not having imbibed deeply the discontent that makes for progress. Contentment depends more on the mind and disposition, than on the pantry and wardrobe. Discontent leading to honest effort is to be commended when not carried too far. The acme of contentment is that of well fed swine. With men this state is reached perhaps with the least awakened Negroes in the South, or with basking Asiatics who would not accept a better living if it required additional exertion. The unrest of desire for more of the good things of life becomes an evil when the heart is set on things beyond one's means of attainment, as any virtue becomes a vice when carried to extremes. As it is foolish and wrong for a homely person to long to be handsome, so it is for a dull person to long to be bright, or for a poor person to long for a grade of wealth beyond his reach. Doing one's best with the resources he has is duty, and this brings happiness as nearly complete in the lower walks of life as in the higher. If wrong conditions in society hold one down, he can only strive to remove them or escape from them. There will always be conditions far from ideal—to be patiently made the best of. Never was the public so ready as at present to make wrong conditions right.

Wages Have Been Doubled. "The eleven-hour day [in factories] did not become general until well on toward 1865. The first real factory law [in America], that of Massachusetts, dates from 1866. M. Levasseur, after a searching comparison of all available statistics, concludes that money wages 'have risen very perceptibly, perhaps doubled, in the last fifty years,' and that real wages, in commodities consumed, have risen [in quantity] still more."¹ From the work day of eleven to fifteen with, and to a deserving person are not unready to lend. As to honest selling and buying, see note in next chapter on the higgling of the market.

No Need of Drifting Into Feudalism. The quotation above is taken from an article by W. J. Ghent in *The Forum* of August, 1901, in which he shows the groundlessness of the idea that American workingmen had in the past a golden age. Country laborers had enough food and shelter in quantity, but a living that was very coarse; while skilled city workers in New York and Philadelphia, nearly every winter between 1830 and 1850, were

hours a century ago—fourteen hours in Rhode Island woolen mills up to 1858—wage earners in England and America now work but nine hours in the skilled trades generally, in many of them but eight, and in only a small fraction of them do

brought down to need of charity. Earlier in the century there were periods when wage workers the country over, even on farms, barely escaped hunger, as portrayed in McMaster's history. Yet Mr. Ghent, as shown in his recent book "Our Benevolent Feudalism," does not depreciate, but rather magnifies, the dangerous power pointed out by the socialists in private ownership of land and capital. The American people will sin under plenty of light if in any future to be here considered they permit themselves to drift into the power of the wealthy, exercised benevolently to avoid provoking resistance, and to fasten its hold more securely. Though eternal vigilance will always be the price of liberty, there surely has never been a time in history when society's progress toward better things was more promising than at present. In England, where inherited wealth reached a power perhaps unequalled in any other land, the forces of reform are almost having their own way—in extending the power of trade unions, in enacting labor laws, in collecting income and inheritance taxes, and in putting municipal monopolies under public ownership. Progress in the same direction is becoming nearly as rapid in America.

The Poor Continue With Us Always. And in the living of the common people, not only in America but also in England and in France, as Mr. Giffen and M. Levasseur have shown, wages in commodities consumed have doubled in the last sixty years, for all those now well above the bare subsistence level. The continuance of a class living on this level is not, as various kinds of socialists claim, a proof that the poor have not received their share. It will never be possible for this class to be lifted up by the mere rising of society, their own effort remaining unchanged. Too many would lie back to be carried up thus. Whatever the growth of wealth, there will always be a way open to drop to the subsistence level, and the only way society can help these poorest, so that they will stay helped, is to teach and encourage them to provide better for themselves. On no Babel tower of progress, not even when it is designed by the genius of a Karl Marx or a Henry George, will people ever rise, or can they ever be lifted, without individual and social injury, above nature's law of necessity for labor. (Chapters XIV. and XXII.) In Great Britain those down on the subsistence level are fewer in number than they were eighty years ago, and are a much smaller percentage of the total population. In those days, with only half her present number of people, Great Britain's poor relief cost as much as it costs now. (G. Drage, "The Labor Problem.") W. A. Wyckoff, after personal investigations in 1902, concluded that British prosperity was then more generally shared among the working class than at any time since the fifteenth century, when a golden age for workers was brought about through reduction of their number by

they work longer than ten hours. And the progressive states and countries now aim to enact every law to favor the working classes that will not bring upon them and society more harm than good. Instead of public neglect of wage workers, or of committing their welfare, in the old way, to the kindly customs of the community, there is now danger of making them by law a privileged class, and thus of retarding their splendid march upward into a higher realm of merit and attainment.

If a Worker Now Produces Thirteen Times as Much as in 1750, on an average for all industries,¹ by using improved machinery, there is nothing strange or wrong in the fact that he cannot get now as good a living with one hour's work as his ancestor got then with thirteen hours. With from eight to ten

the Black Death. In America, by reason of the crowding of immigrants into the sweated slums, such a gain as that of Great Britain has probably not taken place.

If Great Possessions Have Increased More in proportion than small possessions, it has been because the people, by their own fault, have left open too many ways to the vast gains of monopoly. But that great possessions, considered as an aggregate class, have increased faster, is improbable. Doubling and trebling of large fortunes occur among the very few, while in the growth of wealth among all below them doubling and trebling occur among millions, and many thousands of these pass up to the class of the very rich. Moreover, in a number of countries the rich have lost most of their power in government, while the poor, from having no such power at all, are fast becoming the ruling class. For Great Britain statistics prove that the rich have not risen in wealth faster. Mr. Leon Levi found from income tax records that between 1850 and 1880 incomes of from \$750 to \$1,500 increased 5 times; \$1,500 to \$2,500, 3 times; \$2,500 to \$5,000, 2½ times; \$5,000 to \$250,000, from 312 to 910; \$250,000 and over, from 26 to 77. Incomes below \$750 averaged \$265 in 1850, against \$415 in 1880 and 180,000 persons rose in income to \$750 or more, and thus passed into the income tax class. Population increased only 33 per cent. (U. S. Indus. Com. XV., 2d part, p. 10.) It is a rapid increase of taxable incomes in Germany, and the evident fact that in many industries, especially farming, the socialists are not to realize their hope of an inevitable swallowing of small by large concerns until all pass to one owner and employer, the state—that led the German leader Bernstein to abandon lately the socialism that seeks to destroy the present system of industry and build a new one to order, and led him to teach the reasonable socialism that seeks to improve in every wise way the society we have, and is glad this society is so good as it is and is improved so easily.

hours' labor he does get a living at least three or four times as good, considering benefits in facilities for education and transportation; and the remaining difference in product be-

Statistics of Poverty show that in England and Wales the average number of persons receiving poor relief, per 1,000 of population, was 62 in 1849, 48 in 1863, 33.9 in 1873, 26.2 in 1887, 22.7 in 1892, 24.3 in 1895. (Webb.) The average life of men rose from 39 in 1850 to 41 in 1890. Before 1850 the death rate rose and the marriage rate fell, with rise of price of wheat and bread. Now the death rate does not change thus, but marriages increase when business is good, as shown by exports. John Bright said that the free trade law of 1846, giving cheaper food, added millions of pounds to the weight of the British working class. They, especially the women and children, were benefited thus by factory laws. Workers getting a bare living were half of all workers in 1850, but only a fifth in 1890. A few are still as poor as in 1850, but on the average the poor are now twice as well off as they were then. (Drage.)

Exact Figures of Wage Increase. Massachusetts carpenters in 1780 received 52 cents a day, and shipbuilders 90 cents (C. D. Wright), the increase with the former, up to 1903, being at least fivefold, and perhaps fourfold after making allowance for change of prices and of value of money. From the books of a Massachusetts cotton mill Edward Atkinson found that from 1830 to 1884, the cloth made being the same, hours dropped from 13 to 10, average wages per week from \$2.62 for both sexes to \$5 for women alone, price of cloth falling about half, and sanitary conditions in 1884 being vastly better in mill and home. Fifty years ago \$60 a month was the highest pay received by a railway engineer, against an average of about \$100 in 1903, up beyond \$150 for many. By the Aldrich report of 1891 to the U. S. Senate, doubtless correct in the main, for every dollar in 1860 in the average pay of a long list of occupations, the pay was 88c. in 1840 and \$1.60 in 1890, while the cost of food, for every dollar in 1860, was 96.6 cents in 1840, 153.8 cents in 1870 (gold), and 104.6 cents in 1890—cost of living as a whole being 96.2 cents in 1891 against every dollar in 1860. To a worker using the same set of commodities real wages, between 1840 and 1891, rose about 130 per cent. (Levasseur, 412.) The Belgian workman in 1891 consumed three times as much meat as in 1853, and 1½ times as much other food. (Levasseur.) By very careful computations of the U. S. Labor Department, the gold wages of 25 trades, for every dollar in 1891, were 94 cents in 1872, 85.65 cents in 1876, 97.83 in 1884, 97.88 in 1895, 98.79 in 1898, 103.43 in 1900 (no doubt not less than 106 in 1903). Average price in gold, for the same quantity of each of a long list of commodities, was 121.4 in 1872, 108.7 in 1876, 102.6 in 1884, 94.4 in 1891, 79 in 1898, and 90 in 1900. By Sauerbeck's index number the same quantity of each of 45 commodities in England cost 74.6 in 1848-50, 91.5 in 1859-61, 104.3 in 1871-75, 73.6 in 1889-91, 62.0 in 1896, 67.3 in 1899, 78.6 in 1900. (*U. S. Labor Bulletin* No. 39. See also the notes on wages in Chapters XVI. and XVII.)

tween the two periods, is fully accounted for in the accumulation of capital, and in the necessary costs of experience. A problem practically the same can be found in the cases of individuals on every side.¹ Many a man who has suffered no special

¹Ernest Howard Crosby, in "Labor and Capital," Putnam, 1902.

Wages \$435, and Worker's Product \$2,428. In support of the claim that wage workers do not now receive a fair share of what they produce, Mr. Crosby refers to the 1880 census figures of \$347 for average wages in manufacturing against a yearly product for each worker of \$1965. The fallacious conclusion that all the difference fell to the employer was so widely published in newspapers that in 1896 C. D. Wright, in *Labor Bulletin* No. 3, explained that the large balance left above wages included cost of materials and all other expenses—the value of materials, 55 per cent of total product in 1890, being mainly due to the wage cost of producing them. By the census of 1900 average wages in manufacturing were \$435. Average product per worker was—including materials, \$2,428; excluding materials, \$1,060. Of this \$1,060 the \$435 is 41 per cent. By taking from the total product 6 per cent on the capital, and \$1,000 as salary for each proprietor and firm member, together with the wages, the materials, and the miscellaneous expenses, there is left a balance of \$1,034,000,311—the total product being \$13,091,876,790, and the total wages being \$2,339,923,615.

This Difference of a Billion seems small enough in view of necessary inaccuracy as to allowances for depreciation, as to interest on excess of debts payable over debts receivable, etc. Besides, an average of 6 per cent is probably much too low for the total of interest and profit (page 52) in businesses good and bad. But whatever the census figures, it may be depended upon that the competition of employers—raising wages to get men, and lowering prices to sell goods—reduces their profit to the lowest point that will keep the marginal employer in business. Very few lines of business are monopolized. The others are open to any capable person who thinks employers are getting too much. A more accurate inquiry into this question was that of Massachusetts in 1900, which showed that of the value of product, after deducting cost of materials, there was paid in wages 57.07 per cent in the carpet industry, 56.98 with shoes, 56.38 with cotton, and 41.96 with paper. Average product per \$1,000 of capital was \$1,805 with shoes, \$461 with carpet, \$458 with cotton goods, and \$445 with paper. Product per employee, in each of these cases respectively, was \$813.36, \$654.76, \$640.57, \$1,011.14. In all these computations cost of materials was not included. Average yearly earnings in wages per worker were \$463.44 with shoes, \$373.66 with carpet, \$361.17 with cotton goods, \$424.31 with paper, and \$554.19 with machinery. The cotton worker's wages, \$361.17, taken from \$640.57, the value his labor added to materials, leaves \$279.40 of that value as the employer's share for interest, profit, and all expenses except wages and materials. (*U. S. Labor Bulletin*, No. 43.) In Massachusetts

injustice that he knows of works harder at forty under an income of \$4,000 than he worked at twenty under an income of \$300, and while he consumes much more wealth, his enjoyment of life is probably less. Though all his increase of income year by year fell to him alone—not being divided up by changes of value and price as society's product must be—he sees that the balance above personal consumption is plainly accounted for in his house and other property and in the various costs and losses that were to be expected in his experience. In the same way society has gathered its stupendous equipment of houses, factories, railroads, and ships, its wonderful industrial knowledge, and its capability of every kind for successful living. Are not its achievements since 1750 great enough? Who now will claim that he, for himself or for society, would have done better, under the same conditions and experiences, than any one of creditable record in this period's long roll of inventors, captains of industry, statesmen, reformers, and honest citizens of every station?

In the Righting of Wrongs—a task that mankind has always been struggling with and will never complete—those who are clamorous for change, asserting that the present order of society is all bad, need to take heed that by their radicalism they do not obstruct real reform more than do the comfortable classes who assert that the present order is all good; while the latter need just as much to take heed that by their unreasoning opposition to trade unions and to labor laws they do not goad the working classes to turn their political power into ruinous socialistic excesses. Perhaps the capitalistic class err no further in depending on religiousness instead of righteousness than many writers for the working class err by permitting sympathy to displace sense. In the light of the experience different countries have had with measures of reform, that spirit of reasonableness which each side ought easily to reach under present enlightenment will bring about very soon a

cotton mills, of the value added to raw material, 44 per cent in 1880 fell to wage workers, leaving 56 per cent for managers and owners; but in 1900 wages took 57.2 per cent, and in 1896, under prices and profits very low, wages took 79.07 per cent. (*Outlook*, May 31, 1903.)

marked change for the better in society's conditions. No human ingenuity can construct society anew, but there is now enough wisdom and honest purpose among the people to carry the society we have much farther toward perfection. The socialism necessary in the reforms required, such as public ownership or control of various monopolies, will be sufficient, it is to be hoped, to prevent the carrying of socialistic agitation to destructive lengths.

CHAPTER XIV.

THE PROMISE OF THE FUTURE FOR WAGE WORKERS.

An Increasing Share of an Increasing Product. If higher wages cannot be obtained by forcing a rise of prices, owing to consequent diminution of sales and slackening of employment, from what sources then can wage workers hope for an improvement of their condition? Besides their own rise in efficiency and in bargaining capacity, and besides the benefits to be conferred by the state in enacting educational and factory laws, and in withholding monopoly profits for the public, great promise for human betterment has been asserted by some writers in the idea that with the increase of capital and in the progress of industry, through improved machinery and better methods, wage workers obtain "a constantly increasing share of a constantly increasing product."¹ This thought, touched upon in Chapter VI., is that as increase of capital brings lower rates of interest, while increase of industry brings lower rates of profit and greater demand for labor, the large balance of the increased product falls to the workers in higher wages, which are less definitely fixed by supply and demand than are the three other shares, and hence leave the workers the most room for bargaining and getting a residue. Increase of the worker's income by this process has come about to a considerable extent. But only a part of the balance of increase of product has gone directly to raise wages for the workers directly concerned. Most of it has gone to benefit the general public in lower prices, brought about by competition among producers in the

¹This was one of Bastiat's "economic harmonies," first appearing in his book of that title, published about fifty years ago. The doctrine is discussed at length and approved by Edward Atkinson in his "Distribution of Products," 1884.

How Far Workers are Really Gaining Faster Than Capitalists. Bastiat's theory, though discredited by many, is substantially true as to the

effort of each to increase his sales. In many cases more of it could undoubtedly have been added to wages by well organized unions, promptly making reasonable demands, and raising their

wage earning class as a whole, which is far better for society than if it were true of the particular industry in which improvement takes place. Though in this industry wages rise but little, or even fall, as when skilled men are displaced by unskilled machine tenders, the latter rise to better positions and better wages, besides the cheapening of products—generally those used by the many—and the consequent rise for all of wages or income in commodities consumed. As wage earners are a large majority of the people, they get thus most of the residue left by falling interest and falling profits. It is just this effect of machinery to take away the monopoly advantage of the skilled (page 282), despite their complaints and the socialistic outcry, that is most beneficent; since for all workers except the few skilled men directly involved it multiplies occupations and raises wages. In this raising of wages for the many, with the lowering of prices to all, it is true that the workers are gaining in income faster than the capitalists, excepting so far as the latter, even with interest and profits falling, are put forward by growing accumulations, spreading business, and rising rent. Ordinary rent sinks in importance when industry grows faster than population, besides the accompanying rise of wages; while the undue advantage of the rich from vast accumulations, and from monopolies in manufacturing, in mines, railroads, etc., can be withheld for the people whenever they become sufficiently honest and capable to effectively tax, regulate, and own (page 352). One of the costs of progress is that it complicates and increases the burden of preserving rights and liberties. Effectually indeed has nature made this world a place of action, not of rest.

Capital Increases More Than Twice as Fast as the population in Great Britain was the conclusion twenty years ago of Mr. Giffen, a very able and careful statistician. He said: "In the last fifty years the income from capital has at least no more than kept pace with the increase of capital itself. The real wages of the working class appear to have doubled. It would not be far short of the mark to say that almost the whole of the great material improvement of the last fifty years has gone to the masses." In America the improvement has been still greater, inflow of 20,000,000 immigrants being overbalanced by opening of new land, and by marvelous growth of capital and enterprise. It does not seem that Mill and the older economists expected too much from growth of capital and knowledge, in putting labor at a premium and giving all a chance for some leisure life. It was not to be supposed that nature would thrust benefits on those who failed to do their part, such as the sweated workers in cities. Capital in machinery and land improvement to the value of \$100,000 per man would make labor a lordly director of forces. Yet something like this is the economic goal if capital increases faster than population. Plenty of capital makes it pay to hire dull men, while raising wages all up the line, but plenty of labor makes it pay

members in efficiency above others who might have taken their places. The loss of the public from a smaller fall in prices might have been more than balanced by prevention of discontent among wage workers, by increase of their buying ability, and by elevation of their standard of life and citizenship. Besides, the work by which one secures and holds high wages is usually so much greater in quantity, or better in quality, than the work of the poorly paid, that its wage cost is positively lower, aside from the indirect public benefits of his elevation. Economists have long taught, especially Walker, that assertion by wage earners of their rightful claims is best even for employers, and that by wise unionism the workers of the nineteenth century could have obtained more than they did obtain.

Demand Must be Made Quickly, Before Price Falls. Unquestionably there is great promise for wage workers in this

to use poor tools. Extra profit is held by the employer just long enough to induce him to improve. It soon passes to labor, in higher wages and lower prices, but by that time he has improved again. The first improvements were sudden, and brought great hardship to hand workers displaced; but improvement now is steady, and hardships and crises grow milder. (J. B. Clark, "Distribution of Wealth.")

A Force for Settling the Labor Problem. In 1810 in England, under monopoly profit and rent to the rich, with bare subsistence, no education, and no votes for the poor, it seemed true, as claimed later by socialists, that the rich were to get richer and the poor poorer. But there was a saving condition in the fact that to work efficiently men had to be supported well, and be elevated intellectually and morally, which elevation, started by their own unaided effort, enabled them to get, by unionism and by going from place to place, the full value of their labor, and to get political power and needed laws. Another saving condition was that increase of capital and product so raised wages and lowered prices, besides lowering interest and profit, that the worker's living increased largely, and employers in each trade desired the workers in all other trades to be elevated for the sake of the market they afforded. So the huge machinery and great corporations of to-day, instead of proving the socialistic claim that size will increase until there is but one employer, the state, are in their wonderful efficiency of production a guarantee of further fall of profit and interest and rise of wages, and have in themselves the settlement of the labor problem, if the workers do their part in bargaining and voting, and do not give way to vagaries or supinely fall under feudalism. It was to be expected that such mighty forces for progress and happiness would be dangerous. (The main idea in this paragraph is taken from Prof. E. R. A. Seligman, *P. S. Quarterly*, 1892, p. 748.)

tendency of progress to lower rates of interest and of profit. But they themselves must secure the benefit when the opportunity comes. They can move quickly to secure by increased pay, or in a shorter day,¹ a share of the product increase, due

¹Printers Did This Successfully when type-setting machines on daily papers came into use—1890-95. Piece work then gave way to time work, but at higher pay on machines than was received for occasional time work before, and this for a shorter day. The best men were assigned to machines, and some of the others were dispensed with, though before 1900 as many were employed as before. There is error in the idea (*Indus. Com.* XIX. 826) that the wise union policy here followed—of coöperating with the employers in the use of the new machines instead of vainly opposing the change—was what prevented the employment for the machines of cheap men, as in the case of the British hand weavers seventy years ago. While there was doubtless an effort to avoid trouble with the printers' union, the main reason for the higher pay was that the machine work was *worth* it, requiring men specially expert; and a reason for the shorter day was that the work was exhausting, requiring great concentration of attention. If the work were really suitable for cheap men, to award it to highly paid men, any further than to avoid displacing them with harsh suddenness, would be to charitably *pension* them and keep them where they did not belong, while shutting out more needy men that were entitled to it for the solid reason of rendering best value in proportion to pay. Lowering the pay of the skilled men to its market value on machine work, and raising from its previous level the pay of lower grade men under new demand, would seem to be the right and natural procedure in such a case.

The Passing of Work from the Skilled to the Unskilled, which was shown above to be one of the principal means by which the general well-being is raised, is treated as a serious evil, it is strange to say, in Mr. John Martin's otherwise excellent article in *Political Science Quarterly*, Sept. 1902. Wages in Illinois coal mines worked by hand average from \$2.37 to \$3 a day, but average only \$1.97 in mines using machines, the skilled men being 70 per cent in the former but only 10 per cent in the latter. But what could benefit more consumers than lower prices for coal, or more workers than new work for the unskilled, among whom unemployment is worst? Yet it was well that the union raised wages for those skilled men retained that were wanted. Those whom machinery crowds out of a skilled trade, being the least efficient, have a doubtful right to a place in it anyhow. In another trade they may really belong, while at the most, in having to enter a trade less skilled they do not drop far. In cotton factories women learning ring spinning in a few weeks are displacing at half their pay skilled men operating mules. But what else besides work will raise women's wages, and by what class is new employment so badly needed?

The Fall of Weavers' Wages is a Social Benefit in the same way, so far as brought about by increase of work and pay to cheaper people em-

to improved machinery or processes, before the larger supply has brought down the price and the profit, though it is by the lower price that all other workers are benefited as consumers.

ployed. Mr. Martin sees evil in the fact that the \$7.50 a day of glass blowers was lowered to \$5 by a machine with which two cheaper men now produce twelve times what three did before. But surely there is little call for sympathy for a few hundred men's loss of a monopoly position at \$7.50 a day when glass fruit jars have dropped to 5c. each for all mankind. Men at such pay, of all workers, ought to be best able to foresee and prepare for industrial changes. The so-called degradation of skilled wood-workers is not in their displacement by the mere machine tender making cheap doors, but is in a charitable claim for the work needier men have taken because of rendering better value. The tendency of unionism and socialism to favor the skilled men of privilege, despite the emphasis on solidarity of class, and the dislike for the privileged rich, seems to be overlooked by Mr. Brooks, when he writes in his new book of the benefits of machinery as passing to employers and consumers, making no mention of benefits to the unskilled in more work and better pay. By the change the skilled are less reduced and enslaved, as mere cogs in a wheel, than the more numerous unskilled are elevated and liberated, the result being a vastly greater serving of men by machinery, and in the short run too, than would come if the skilled had their way. The view countenanced by Mr. Brooks cannot be emphasized without largely justifying the one-sided idea of many people that the term "labor" denotes only a class of unionists clamoring for privileges, and selfishly utilizing the tenfold larger mass of needier people by unionizing them when necessary to avoid their competition, by putting their woes forward in appeals for sympathy for unionists not having such woes of their own, and by turning upon them the shock from monopoly in exclusion of scabs and apprentices, and in rise of prices. The better living of the girls making cigars with machines is ignored in the question of the unionist cigar maker who said to M. G. Cunniff, "Can't you see a deadly force squeezing smaller the margin of comfort in the living of American labor?"

The Considerateness Due to Skilled Men, when new machinery renders their skill less valuable, is similar to that shown when genteel people that have lost their wealth are waited on as others are not who in various ways may really be more deserving. Assigning the new machines to the skilled men at wages not lowered, so far as their pay can be earned, while finding for them other good positions and doing nothing harshly, may be for the employer, in avoiding hard feelings, the procedure most profitable as well as most humane. Where time would be required for the cheaper men to learn, a forcing by strike among the skilled of an assignment of the machines to themselves, at wages not lowered, would simply be taking proper advantage of opportunity, as is done in any strike, and hence for a time would involve no pensioning. The strike of New England shoe lasters a few years ago seems to have rested on such a basis. But unless the skilled

Wages raised very high are not unjust, either to consumers of the article produced, or to other workers earning less, so long as entrance of new men to the trade is not artificially prevented by some form of union monopoly, which fortunately is not usually possible at the present day. The increase of efficiency that holds the high wages gives a full return in enlarged value of product.

Unionism and the Rate of Interest. Upon the rate of interest, which at any time is dependent upon the world's demand and supply of capital, the action of a body of workmen can have little effect. Their best attitude toward it, so far as their clear rights will permit, is to coöperate with capitalists in a friendly way. This tends to lower interest, and to add to employment, by increasing supply of capital, by preventing losses, and by promoting safety of investment. The necessary

men learn to earn their high pay with the machines as well as cheaper men could earn low pay, the skilled must eventually take less, or the business will pass to new shops not burdened with caring for men of an old force; though by threatening labor trouble skilled employees of a *monopoly* may force it to pension them permanently, as the New York elevated railroad will do with its enginemen, so far as their work as motormen is not really better than that of motormen with surface lines paying less. (*N. Y. Labor Bulletin*, Sept. 1902.)

Retaining the Skilled at Pay Far Above Market Rates. In 1902, in changing from steam to electricity, the company proposed to retain engineers as motormen at their old rate of \$3.50 for nine hours, though surface motormen received only \$2.40 for ten hours, but proposed to add the extra hour. The brotherhoods of engineers and of firemen opposed adding the hour, and by imminence of a strike gained their demand, with full pay as motormen for men promoted from firing at \$2 a day. The difference in grade of men and in work may make service on the elevated road worth the difference in wages, but cases might arise in which it would pay such a monopoly to buy off by granting an unjust demand, to avoid stopping traffic, and to avoid endangering its franchise and its great profits. In referring to retention of skilled men at full pay as a matter of great ethical importance, and to the employer's duty, in adopting machinery, to make the loss to his men the least, it seems to be overlooked by practically all writers on the subject that between employer and employees, as between members of a firm, a just partnership requires each to earn all he gets (page 84), and that sound ethics (in view of the unskilled and of society) require the employer not to do much buying off or pensioning (page 250). (See notes in next chapter on the worker's right to his position.)

rate of profit also, which the marginal employer must get to remain in a business, depends upon the world's opportunities for production, and upon the readiness of employers to take advantage of them. After a union of workingmen have forced up wages until only this necessary rate of profit is left, they can have but little further effect upon it. They might lower it a little by being specially reliable and reasonable, thus reducing their employer's trouble and risk, or they might raise it by being unreliable and turbulent. But in the usual absence of special tendency either way in this respect the raising of wages, aside from occasional times of exceptional rise of price in a single industry, depends upon new demand for labor in other trades, absorbing the unemployed and enlarging markets, or it requires that the workers' product be increased, either by development of their own personal capacity, or by the employer's introduction of improved machinery; and in the latter case their skill must be raised to place them above others earning less who might surmount the difficulties of entering the trade.

Increase of Labor Demand from Production of New Things. Development of new wants, or production of new things, absorbing a portion of the labor supply, may raise wages where amount of product would make them higher if so many people were not ready to do the work. The building and operation of electric railways, after 1898, raised the wages of capable laborers in many of the American states. Excepting telegraphs, the electrical business, in various forms, now employing hundreds of thousands, originated about the year 1880 with telephones and electric light, followed nearly ten years later with electric power. The bicycle business has grown up in the same time. The American railroads, employing now a full million, necessitate so much hauling to and from stations that wagon transportation doubtless employs now a larger percentage of the people than before railroads were built. Supplying new wants has made civilization. At first all effort of the savage tribe was simply to maintain life, being absorbed in fighting off enemies and in getting scanty food and shelter. These necessities being more easily attained as mankind progressed, through invention of better tools and better methods, the spare time was used to make finer clothing, ornaments, weapons, etc. So it has

been down to the present time. An observer wonders how the six millions of people in London can live from year to year with perhaps none of them directly engaged in getting food or materials from nature except a few fishermen and market gardeners. It was estimated by Edward Atkinson in 1884 that a year's labor of one man at farming in Dakota, of one man at milling and barrel making, of two men at transporting flour to New York and in making cars and machines used, and of three men at baking and selling bread in that city, would supply for a year with bread a thousand people.

Easier Production of Necessaries Releases Labor to Produce Comforts. The fewer the men employed in producing food and other necessities, the more are left to produce comforts and luxuries, which will readily be received in exchange for the surplus of those whose income is too large to be consumed in the simpler commodities, and who may not care to save all the surplus to add to capital used in production. It is the spread of old wants, and the development of new ones, that has made machinery a blessing to all classes. Without increase of society's wants, the men displaced by labor-saving machinery could find work, if there were no vacant land, only by taking the places of the least desired workers crowded out upon charity, or by so lowering wages and efficiency as to require the labor of all not engaged with the machines to turn

The Small Product of Former Times. In 1800, with the poor tools and poor methods of that day, one man's labor in England produced food for 10; in 1890 in America it produced food for 120. In 1807 in Prussia 88 per cent of the people followed farming, yet food was scarce; by 1867 those on farms had decreased to 48 per cent, yet for each inhabitant a third more food was produced, and that was better in quality. In India 80 per cent are now on farms, and the total product of every kind per inhabitant is worth only \$10, against \$180 in England, with her great outfit of machinery and her active people, and against perhaps nearly \$225 in America, with her better machinery and abundant land. In America, since 1850, wealth and population have increased several times faster in cities than in the rural districts, farm population only doubling but wheat product increasing six times, and some other crops twenty to fifty times. In England three-quarters of the people are now in towns or cities, exchanging manufactures for food abroad, vastly reducing thus the effort required to get food and the rent share falling to landlords. (See C. F. Emerick's articles, *P. S. Quarterly*, 1896.)

out a product no larger than the fewer workers produced before.

The Saving of Time in Quicker Learning of Occupations. Skilled men displaced by the earliest machinery suffered far more than those displaced now. The trades then were more separate, a man who had learned one being usually unable to turn satisfactorily to another. But now a person who can handle machinery of one kind can generally adapt himself quickly to another kind, even though he has passed middle age. Instead of spending years learning one trade, to be dependent upon it alone for a living, a worker now, to prepare for positions in many different industries, can acquire in a short time the necessary training of mind and hand. It is the training in the variety of work they have done that makes so useful the active young men employed in unskilled work about towns.

Displacement for the Few, New Work for the Many. Moreover, in the factories of to-day boys, girls, women, and inefficient men are employed who could never have followed the old handicraft trades, or have done then any work so suitable or so well paid as that they do now. To a few lines of unattractive work or drudgery these were all then restricted, as women were until within the last three decades. Herein lies (it is permissible to repeat somewhat from preceding notes) one of the many benefits that have come with modern industry. This largest class of workers were in need of more opportunities to get a living, and certainly deserved far more sympathy than did the skilled workers, who in their guilds had long taxed the public in monopoly, and who are still disposed to claim special privileges. It is in access to multiplied variety of employment, as well as in education and in self-government, that we now have an era of opportunity for the many. It is strange that the good people of the old school, including such great men as Emerson and Ruskin, who naturally regret the passing away of the village shoe shop, do not notice that while one shoemaker was then broadened in mind by intercourse with customers (and with loafers) through a fourteen hour day, in the foul air of a small shop, shoemaking as now divided employs workers for about sixty separate processes or trades, carried on nine or ten hours a day in ventilated factories, the shoemaker himself

working among them in a well paid position, with the world enjoying many times the per capita supply of shoes it had before. About the same may be said of wagon and furniture factories, in which most of the workers now are unskilled.¹

¹Necessity of Finding a New Occupation—to an extent involving difficulty and hardship—comes to but a small fraction of the people. An industry generally improves so gradually that for both employers and workmen no more than a wholesome degree of foresight and activity is required to keep abreast of its progress. Farmers do not now feel that they must raise what their fathers raised, but study comparative demand, and change crops from year to year as their judgment indicates. In the few cases in which a trade passes away entirely, as hand work in weaving, shoemaking, and cabinet-making, a man reasonably alert has now sufficient years of notice to adjust himself to the new conditions—often to his personal advantage. A large majority of the total working class—a majority comprising such as stationary engineers and firemen, laborers, operatives of many kinds of machines, and office help in general—are prepared to change from one industry to another with but slight inconvenience. The present liability to change is an essential to progress. It was plodding along in the old way that produced the stagnation from which Continental Europe was recently awakened. A person who can get a living at but one place, or in but one trade unchanged, is growing helpless. With due regard to the maxim of the rolling stone, it is still true that preparedness for change, with either an employer or a workman, is one of the best traits. Rapidity of growth and change has made American workers far more mobile and independent than even the English, and will tend in many lands henceforth to prevent settling into ruts.

That Society Should Compensate Skilled Men Displaced by Machinery is often suggested, and is sometimes advocated. This notion is related to the socialistic doctrine that people ought to help a man by purchasing what he has to sell, whether it is wanted or not, instead of leaving it his main duty to watch and provide for market changes. It is well that the impracticability of compensating displaced men by imposing damages on the employer, or by appropriating public money, will save society from a practice so unwise. The trouble now is that in trades in which men are not being displaced by machinery those of experience become so settled in their ways that a young man who has just learned the trade is to be preferred, not only for quickness but largely for teachableness. As indicated in the preceding paragraph, a guarantee against loss in being displaced by improvement of machinery or process would stifle one's alertness and readiness to change. To prove that he had really been damaged, helplessness would be to him an advantage, as ailments are sought out and prized by veterans seeking pensions; and the tendency with capable employers would be to get rid of him before the new machinery appeared. To keep one efficient, and also to maintain health and happiness, it is important that he

The More Machinery We Have the Better. This will continue to be a fact of the conditions of life. Invention cannot be overdone until release of men from the necessity of labor

continue learning down to old age. Such has always been the practice with men of achievement, and their effort to learn maintains their power to do so. Some spirit and ambition are better for prolonging the period of strength than are certainty and comfort in one's work. To prevent dependence on expectations likely to be disappointed, men should realize continually that they live in a world of change, and that it is through change that better things come. In Mr. John Martin's plea for a guarantee of displaced men against poverty while an industry is being adjusted to machinery, he says we now virtually ask them to lay down their lives. What skilled man, after a long period of good pay, wants to stand forth so helpless as that?

One Case of Compensation, said to be the only case, was the giving by a recent Massachusetts law of a right to not over a half year's pay as damages to workers losing positions by reason of removal of factories to clear land for Boston water works. Such compensation seems just, but its case is very different from that of an invention not made by the state's power, and affecting no one in land or location except by lessening society's need for his service. Compensation of the worker for skill made less valuable would involve compensation of his employer for the fall in value of his plant and business. The trade is no more the worker's property, earned by years of servitude, than the business is the employer's property, built up at risk and expense. Of course, each must take the chances of changes in demand when he chooses a trade or starts a business. Nothing but taking chances will keep it a real choice. When the state or society guarantees against risk, it will be compelled, in order to be able to fulfill its obligations, to say who shall do this and who that. And it seems that the employer's self-interest will prevent dividing up processes too far, since a dwarfing of the worker will dwarf his efficiency. Besides, men will avoid the dwarfing jobs, and the union will be able to prevent such specialization as will really injure the man and his earning power. In society's age-long effort to escape by invention from hardness of life, it is unlikely that by taking the burden of compensating those who gain by holding it back it will obstruct the stream of progress (pages 139, 281). Manual training will make change easy.

The Nerve-Wearing Monotony of Subdivided Labor, in which a person spends all his time in sewing a single seam, or in performing one process with a machine, is dwelt upon pathetically by many who find fault with the present industrial system. This complaint is greatly exaggerated. The monotony of doing the same thing, when one has become accustomed to it, rests the nerves instead of wearing them, and the muscles also acquire strength for their part in the process, as so often illustrated by reference to the sinewy arms of the blacksmith. The work that exhausts both mind and body is that which frequently involves the responsibility of new judg-

has been carried so far as to cause deterioration of character through idleness. This point will never be reached so long as supply of newer and higher wants, as at present, elevates character, and increases usefulness and happiness. There is no

ment, with changing and difficult movements. Not many of the subdivided processes in factories, to a fit person of practice, are very laborious, or very exhausting in any way, when the speed is not too fast nor the day too long. The discipline of properly caring for a machine, and of studying out the best ways of using it, together with the association and inspiration of a large industry, saves the commonest workers in factories from dwarfing, and gives them a better development of intelligence and capacity, as well as a fuller life, than they could have at varied labor in the country. Their families have better schools, and in many occupations, as in railroad service, the workers are made more neat, prompt, and temperate. The greater the subdivision of labor the more complex and educative, for people prepared for it, is the industrial system, as in the largest factories and stores; while the nearer the worker comes to doing all the processes himself, and to being self-sufficient, the ruder is the industry and the duller is the man, on down the scale from backwoods life to the savage state, to either of which, or to other hand-working stages looked back upon longingly, a group can now return by cutting loose from civilization and going to the mountains, and can live there far more safely and easily than people lived in old times. Besides, from more and more of the heaviest labor machinery is bringing relief. Men could not now be hired to endure long the single-handed sawing of hard wood, or the mowing of grass with a scythe. (This subject is well discussed in C. D. Wright's "Ethical Phases of the Labor Question," and in *Engineering Magazine*, Jan. 1901.)

Yet the Evils Should be Reduced to the Minimum. The factory system, like everything else of human contrivance, is not wholly beneficent in its tendencies, and must be so utilized as to secure the good and to avoid the evil. The present elaborate and increasing control by law in Great Britain of unhealthful and dangerous trades might well be adopted in the American states further than they have yet carried it; while unionism and public opinion should complete the effect of law to abolish work days too long, speed too fast, and waste in any form of health or life. For such waste there is no need or excuse. Very soon it lessens industry and wealth, instead of increasing them. (A long article on unhealthful trades appeared in *U. S. Labor Bulletin*, Jan. 1903.) The manufacture of phosphorus matches has just been prohibited in Germany, on the ground that the need for such an unhealthy business is not sufficient to justify it. In Great Britain, in 1901, the cases of lead poisoning reported to the Home Secretary numbered 863, against 1,058 in 1900. For violation of the factory laws, in 1900, there were 3,287 cases, and 3,151 convictions, the fines and costs being \$19,850. (Chapter XIX.)

danger that machinery will displace men, and make them unable to buy its products. Social reformers need not be concerned as to the market of the sock factory in which Mr. E. H. Crosby saw boys turning out each with machinery a product that would require hand workers to the number of a thousand. The employer, for all the socks he makes, will find out beforehand that they are wanted by people able to buy; and the loss, if he miscalculates, will fall on him tenfold more heavily than on society. There is still need for a larger output of socks. The congressman who did not wear them followed a custom that yet prevails with most of the human family. What enables people to buy is to fill their hands with cheaply produced goods, so that some of their own product may be left to exchange for goods of other kinds. It is those who *have* things that buy: where the house is bare the pocket is empty. For the same reason of having spare time or goods, as already indicated in connection with increase of wants,

It Is Saving Labor that Makes Labor, at the same time it makes goods. The more complicated the system of industry becomes, the greater the human care required to keep it in order. Saving of labor has so increased demand for it that as machinery has increased, money wages have risen, and real wages still faster in cheapened supplies. There never has been a time when all grades of labor were so widely demanded, or so closely utilized, as at present, nor perhaps so steadily since the system of neighborhood industry was left behind. (Chapter XVI.) And despite the elements of steadiness in the neighborhood industry of a century ago, there has been, whatever may be said of recent over-speculation and depression, no suffering from the latter to be compared with that which such conditions caused in America in the good old days between 1775 and 1850. In large cities many thousands are now employed in new occupations unheard of a few years ago. A vast army of people is required in stores, offices, and restaurants. Rarely does a manufacturer employ fewer people after putting in new machinery. Generally he employs more, though in other lines of work, and increases output largely. Every hour of labor used that could be dispensed with, deprives society of the goods it might have produced in other work, and lessens

the net income from which alone the employer can pay the help he needs.

And as to Equality in Bestowal of Benefits, nature—better than the most ingenious socialist could have done—so planned the forces of progress that the same increase of machinery which gives new work to the unskilled needing it, and which adds to the supplies of consumers everywhere, provides also in its accompanying complications new positions as managers and as assistants for wide-awake skilled men displaced, and new positions as draughtsmen, as chemists, and as higher clerks for young men who previously would have had no choice but to become skilled mechanics. Mr. Webb, trade unionist and socialist, agrees with Sir Robert Giffen's conclusion that the complexity of life arising from use of machinery has enormously increased the number and the proportion of skilled workers required. Not many American boys of enterprise nowadays, whatever the unionist lament of the passing away of skilled trades, settles in a position so undesirable as that of his father. In Massachusetts, where, with the country's greatest development of machinery there has come also, under the requisite energy and intelligence, the country's greatest development of diffused prosperity,—the state labor commissioners have shown conclusively that despite the inflow of wave after wave of immigrants, who would have swamped the state if the development of machine industry had been lacking—that despite this fact the lower grades of workers have not displaced the higher any faster than the higher were leaving the factories anyhow, to fill increasing positions as clerks and teachers, or to engage in business with their savings. As machinery is multiplied, labor involves less drudgery and more of the artistic and intellectual qualities.¹ The Mosely party of English workers were struck with the fact that in America the man is simply the mind of the machine, while in England he is usually the handle, and often one of its working parts; that in Pittsburgh the men stand in safe places and move levers, instead of handling, as in England, the great pieces of steel in terrible heat.

'People Are Rising to More Desirable Work. In the United States, of all persons gainfully occupied, the proprietor class rose from 31.36 per cent in 1870 to 32.96 in 1890, the clerical class from 2.80 to 5.91, and the

Half the Human Race Underfed. The new or enlarged wants that increase total employment are chiefly for other things than food. Quantity of food desired does not increase among people well fed, though they want more and more variety. Perhaps half the human race, however, in China, India, and among the poorest in Europe and America, would now consume nearly double their present food supply if they could get more. America, Australia, and Argentina will be glad to supply them with more food as soon as they can produce something to exchange for it. To do this, in India and China, better tools and methods are needed, though these would increase their food production also. Improvements are being introduced as fast as these people learn to want them. Many people in India would rather live as at present, near the starvation line, than to exert themselves to secure more. Yet their preference for the good old ways of their youth arises from the same facts of human nature, and deserves the same consideration, as does the regret felt by good and learned Americans over the passing of hand trades to machinery.

Larger Consumption by the Half Civilized Will Increase Demand for Labor. Three-quarters of the human race, including the poorly fed half, have few of the comforts of life. When this billion of people develop wants, and produce something to exchange, the world's demand for manufactures will be increased immensely, beyond what these people then manufacture for themselves, and may largely increase labor demand and wages in the leading manufacturing countries. In America some wants are supplied too well. The market is flooded with all kinds of novelties which people are urged to buy. Many persons lack means to supply proper wants, because they are wasteful, are poor workers, or are engaged upon work for which demand is weak. Improvement more rapid than ever before may now be expected the world over, in production of goods and in supply of wants. Spread of useful knowledge

skilled class from 20.33 to 24.10; but those in the more laborious kinds of work decreased from 45.51 per cent to 37.03 per cent. (*Labor Bulletin* No. 11, p. 423.) From 1870 to 1890 draughtsmen increased fourfold, chemists threefold, and in many a skilled trade the workers were about doubled, while men of all work decreased greatly. (*Indus. Com.* XV. 2d part, xxiii.)

will be the cause, together with growth of energy and of self-control. The knowledge needed by each person poorly supplied with goods or satisfactions is what work or business he ought to do, and how to find an opportunity to learn it and to do it successfully. Such knowledge in individuals is needed by society much more than it needs new inventions.¹

Bright Prospects for Society. Owners of capital are unceasingly watchful to earn a low rate of profit or interest by furnishing a supply of commodities both cheapened and improved. Dissatisfied wage earners and farmers should be as keenly watchful to find the work or product that is wanted most and will be paid for best. Capital is increasing and improving as never before. Many of the new factories and new machines surpass all previously built. Product therefore grows larger and larger, to be divided with workers in higher money wages or shorter days, and with consumers in lower prices. The need for caution is in regard to the immediate self-interest of the individual employer, which, like that of the labor union, is against society to the extent of all that people will bear without losing ability to continue buying his goods. He wants the product of competitors to be small, that scarcity may raise price for him. Laws to help him, or his trade united, by shutting out foreign goods and making supplies scarce, need constant watching. Sound knowledge and patriotic purpose, with freedom from inordinate desire for quick personal gain, will maintain

How Progress Harmed the Farmer. In perhaps all the important industries improvement has benefited the employer as well as the consumer except in farming. In this the benefit to the farmer himself from the later improvements in machinery and transportation have been chiefly confined to the newly settled area, their effect being to reduce value of product with a great majority of farmers in civilized lands; though perhaps these have fared as well or better than before by reason of lower prices for what they buy. But the depression in farming, which began about 1880 and which in America has almost entirely passed away since 1898 (largely from adaptation of the business to the new conditions), was only another phase of the vast improvement in the living of the world's consumers. Continuing high prices of food, which before 1850 were always marked in England by a rise of the death rate among the poor, show a scarcity of land, and chiefly benefit its owners. Opening of new areas with railroads broke the land monopoly of farmers or landlords in the older states and countries, and gave the people in general a more abundant living.

that impartial justice which increases capital and supplies most rapidly. Serious wrongs in law or custom cannot continue when the wage earning class and the consuming public, who together will be the majority in a contest with a self-seeking section, have the intelligence to discern the truth, and the virtue to do their public duty. The old complaint was unfounded. Political Economy is not a dismal science. Under nature's laws, by which good must be searched out and struggled for, could grown men and women expect better things than these which are clearly within their reach?

But Each Must be Progressive Himself. In some factory industries, progressive employers may make frequent improvements in machinery and in methods, reducing cost of product and benefiting every class—themselves in aggregate profit, the public in lower prices, and their needed workmen in higher wages. In other industries there may be few or no improvements. The capable employer in these, who utilizes his business possibilities to the utmost, may be able to raise wages somewhat, but only to workmen of superior grade like himself. Only such can make the additional product from which the additional wages are derived. The farmer who grows special crops, such as fruits and early vegetables, supplying a market requiring quickness of action, cannot be hampered with second-class men. For the right kind he will raise wages gladly. The same is true with a manufacturer who by sheer energy forces new life and profit into an old industry that is not being improved by product-cheapening machinery or better demand. The extra effort of himself must be supported by extra effort in his men. For wage workers who cannot or will not make this extra effort, that their employer may get more money to pay, or who in the advancing industries do not keep up in the same way with rising requirements, there will probably be very little rise of money wages—per year if not per hour. Though as a free benefit to them from others each dollar they have will buy more as general production increases, the effect of their undesirableness to deprive them of work insures that they who avoid the burden of active effort in progress will not be carried up far by the progress of others. The commonest grades of cheap labor

—on farms, in retail stores, and in factory work anybody can learn—may not be demanded hereafter much more briskly than at present. Release of this labor by new automatic machinery may almost balance increase of demand for it in new kinds of work, if its demand and wages are not even lowered by growth of population overtaking growth of industry. The supply of such labor is large, never all of it being employed except in flush times.

Inefficient Workers Will be Crowded Out. What has just been said is equally true of workers below average efficiency in skilled trades. Not only is there little hope of higher wages for these, but they will be fortunate if in their trade they continue long to get wages at all. To do work well enough to satisfy the demand seems to be increasingly difficult. A grade of men who passed anywhere without complaint twenty years ago are not now able to hold a job except in small towns or second-class shops. Difficult work, which is coming to include nearly all of it in good shops, is done as far as practicable by regular employees, whose competency can be depended upon. The supply of such men is too small. Happily, there is a top level, with steady demand for men, in every kind of work, down to the commonest labor. By reason of falling prices and rising wages, crowding his profits at both ends, the average employer is unable to retain even his old men when their usefulness fails. Those whose work costs more than it sells for are pensioners on him, to the extent of that excess, and also of the relinquished gain a good workman would bring from the same wages and same machinery.¹

¹**For the Objection to Hiring Men Showing Signs of Age**—an industrial fact now prevailing increasingly, and one pointed out as an evil omen—there are reasons that could not be otherwise. Under the common socialistic feeling, that with workers deserving sympathy the employer should ignore supply and demand values and be guided by needs, he is compelled to avoid having needy people around him, in order to keep from his own shoulders a charity burden belonging to the community as a whole. After the recent public execration of the coal company that collected a rent debt by retaining monthly for thirteen years a part of the wages of a widow's two boys, employers will be still more unwilling to hire those in need. This coal company probably took unfair advantage in renting houses and selling goods, but from an employer paying full market wages—all the work is worth to him—it is as unjust to expect support of his poor employees as it

Is This a Wrong Condition of Things, hard and unsympathetic between man and man, or class and class? Many writers say it is. But how has it come about that the average man

is to censure the grocer for refusing them credit, or to censure any well-to-do man for not supporting and thus ruining his poor neighbors.

When No Charity is Asked, and when lowering of pay to value of work done is accepted as a matter of course, there will be plenty of work for elderly men in positions they can fill (page 293), while earning their way will so strengthen purpose and self-respect, together with bodily health and efficiency, as to prolong the working period. As to all these essential qualities, whatever the age, an attitude of appeal involves beggary, and becomes instantly a blight. The man of fifty, or even of sixty-five or seventy, is now by no means industrially dead, as some writers complain, if he has proved in the community that his work is worth the wages asked. Everywhere many workers beyond fifty are counted by the employer among his best. Not a few railway engineers are between sixty and seventy. The cause of old men's inability to get employment among strangers is the usual high cost of old men's work by reason of the claim for special consideration. A man of thirty, no less than one of sixty, is likewise rejected when such undesirableness is indicated. From such self-protection as buying less, or as choosing to best advantage, no power can hold an employer without overbalancing loss to others. One unavoidable result of Great Britain's excellent law making employers liable for damages to injured men (Chapter XXI.) is that less free rent is now given, and fewer old men are hired.

Provision for Old Age Nature Requires Each to Make for Himself. If the president of a Boston union continues to insist that after long service men shall not be discharged because they are old, as was lately attempted by an employer there in the cases of eight men (*Typographical Journal*, April, 1903, p. 367), each employer hereafter will get rid of them before old age comes, and will do so rightly if he is to have equal chances with new competitors, and to lay up an old age fund is not permitted to pay less in wages than the labor product is worth (page 295). For the union to support old members for their services to unionism (which services seem to be paid for in higher wages all along), lessens their effort to provide for old age by saving, and weakens the care for them by children. Care in old age from fellow workers in unionism is not much better than such care from fellow citizens in socialism. Except under very low wages, as in England, mutual aid societies, providing from dues and assessments a small allowance in sickness and at death, may easily result in more harm than good. What can be said of such societies, in New York printing offices paying weekly wages of \$18 to \$30, that do a large business in lending sums under \$15 to members at 2 per cent a week? (*Labor Bulletin* No. 19.) Even when depended upon from one's own family, expectation of care in old age is harmful. The man who makes best use of his powers saves money and keeps some of it to the end, thereby prolonging his life and independence,

now enjoys double the supply of useful things his grandfather had a half century ago? From the simple fact that in every line the man giving most value has secured most patronage. Others dropping out of business have left all the supplying to be done by those giving most; and then again, of these the ones giving

and securing from his children a respect that is very wholesome. If their affection is worth having it will not need to be stimulated by throwing himself on their mercy. Whatever one's poverty, in providing for old age the American can do not a little. On nothing does nature permit one to lean. Perhaps the main cause of the recent falling of British industry behind the American and the German was the dependence of British owners on reputations built up by self-reliant grandfathers. In many an American community there is a man or two whom a political party has on its hands, to be given little jobs and offices, partly by reason of past services to the party, but largely because of office holding and party aid he has become dependent. Out-of-work benefits, though useful to prevent rate lowering, tend to the same effect, especially such prolonged support as that given by the New York typographical union when in 1894-99 it placed its unemployed on a farm it bought. "Because no man hath hired us" will not usually answer as an excuse for standing idle very long in the market place.

There is No Escape Without Penalty from Labor or Self-Direction—not even in old age. If heirs do not break the will by which W. S. Stratton left \$15,000,000 to found at Colorado Springs a home for the poor, the trustees will be compelled to require the inmates to labor as far as practicable, or the latter will succumb to a process that unpleasantly but truthfully may be called rotting—in body, mind, and character; and even then, in the relief from self-direction, only the body will be saved with any completeness. For their own good, convicts cannot long be left idle, nor poor farm inmates able to work, while access to soldiers' homes, however good some of the motives in founding them, not only leads men to relax work and get old quickly, and sons to neglect fathers, but brings upon the inmates a measure of the blighting and disgusting effects of idleness and uselessness. To save from such a fate the old ladies of a home founded by C. W. Post of Michigan, he is planning a kind of rug manufacture, by which, in easy work at wages, the inmates can earn their support, with the cheerful content of the grandmother in the family, whose useful industry is characteristic. The rich, to avoid the bad effects of idleness, must be occupied with the care of property or with philanthropy. Sport or pleasure, if not carried to excess, may save the body, but not the character; and the same may be said of culture for its own sake (not for use in serving mankind), which is only a kind of selfish pleasure when carried far. In the unoccupied class, to which belong about 125,000 men in Great Britain reporting no occupation (in America a man in health would now usually be ashamed to be called a "gentleman" in that sense), the annual death rate is said by Mr. Hobson to be above 60 per 1,000—higher than with the poorest of equal age.

least have dropped out for lack of patronage, or of employment, and so on in a never-ceasing selection of the fittest. The result is that society has been benefited immeasurably. By what has this result been caused? By the reward bestowed on the man whose product excels. It is this reward that has blessed the world with a continuous line of industrial achievement. Only through improved supplies and services can higher well-being come, not only in material things, but also, by giving time for thought, in the realm of intelligence and morals. Who imagines that the honor of progress and of human betterment would have been, or would now be, a sufficient incentive for incurring the arduous sacrifices involved? As a reward for industrial achievement nothing would answer less substantial than gain in money. Society is glad to confer the gain and the honor too. Even then those reaching attainments worthy of note are very few.

Ought the Unfit Also to Survive?¹ Now if this practice

¹**The Unfit Are Not Destroyed**, as those socialistic writers seem to assume who, in condemning the present system of competition, liken it to the struggle in which animals and insects eat up one another. On the contrary, benefit comes to the unfit man himself. Better service of the public by his competitors forces him into the work that suits him best—sometimes from a lower grade into a higher. What is more unmitigated misery than attempting to carry on work or business not suited to one's capacity? Instead of destroying the unfit man, however useless or refractory he may be, competitive society gives him at least a pauper's support (incurs punishment from nature by being too kind to him), and is striving more and more to educate him up to the plane of his happier fellows—their sympathy being supplemented by their own gain from his elevation and loss from his degradation. Neither are competitors in business "anarchic," except the few whom abnormal conditions enable to unite in trusts meant to destroy the competition of outsiders—the few who can easily be shorn of their power through the legislation necessitated by progress. Fellow feeling among competitors is strong enough. Price cutting without good reason is everywhere disreputable, and trade associations abound.

Mr. Webb's Chapter on the Higgling of the Market ("Industrial Democracy") which represents sellers as helplessly under the power of buyers, and the latter as going from one seller to another and jewing them down remorselessly,—is so exaggerated and untrue as to be unworthy of its place in his valuable book. On the contrary, the American householder, whatever his possession of ready money, finds when he tries to get tender steak or faultless butter, or to have anything done quickly or well, that he himself is the weaker party; that underneath the apparent readiness of

of benefiting one's self by rewarding with patronage the man who gives most value has unquestionably produced the improved conditions we enjoy, are we to conclude that progress

sellers to do everything to get custom there is a firm rock, in the fact that the values they render must be fully paid for. He finds also that their anxiety to please is soon displaced by adequate self-protection when he presses his demands too far. So unpleasant is the jar when he does so that for one buyer who makes unnecessary trouble there are probably two or three who, out of regard for the seller, decide before they are ready, and thus bring loss to themselves. It is for this reason that many are averse to buying of a friend, unless, from their own ignorance in the matter, they commit their interests to his honor. Likewise, it is doubtless true in America, in work done to order, that the buyer, instead of finding fault as a "kicker," or making all the trouble he can as a "stinker," contents himself far oftener with work that is blamably faulty. Fortunately, however, there is seldom a lack of reliable sellers who, finding that it pays to be honest, can be fully trusted. Those buyers who are unwilling to pay these sellers their fair price find that in dickering with a seller of another kind their chance of gain is well balanced by chance of loss. There are only enough sellers of the latter kind to meet the demand for them among buyers with the same lax morals.

Mr. Hobson's Chapter on Forced Gains ("Economics of Distribution")—the excessive gains exacted in a trade by the party who cares least to contract—describes a condition that is as it ought to be if independent manhood is to exist. Under nature's system of developing capability the risks to a civilized buyer could not, without making results worse, be made less than they now are in the best governed states, on the same principle that the world could not have been made an easier place in which to get a living. By being prepared for emergencies, and by not depending on having the way smoothed for them, people avoid having to sell a horse suddenly when there is but one buyer. Besides, though one party has the power to take unfair advantage of the other, he does not dare to do so if he desires to have dealings with him in the future, or to retain the favor of the community. A noted merchant of New York believed the main cause of his success was his practice of caring for the interests of "the fellow at the other end of the bargain." Nearly any seller, in order that a customer may continue to be pleased, will lessen his immediate gain by inducing the latter to choose at less cost an article more suitable. In very little trading of any consequence does one party have undue power over the other. The rarity of such power is indicated by the agitation for control of trusts, few of which can raise prices unduly without loss. The only way in which it can come about that "one of the chief gains of a better industrial order will be the removal of bitter business antagonisms and their degrading influences on character" (Hobson), will be by choice of morality under present competitive tests—a choice that has already removed such antagonism from most business, that in the process has developed good character to a degree not otherwise pos-

has gone far enough, and that now all business effort ought to survive, the unfit with the rest? This sounds kind. How would it work? Would the fittest manufacturer or merchant continue long to risk his capital, or rack his brain, to improve quality or reduce price, if he did not thereby gain patronage away from the less fit, who plodded along in the even tenor of their way, basking in the sunshine of assured public support? They would all be unfit very soon, except an occasional enthusiast, devoted to the new altruism, and in time society would return to barbarism for another start. It would be the same with wage workers. If extra fitness did not get the work and the higher wages, displacing the less fit, extra fitness would soon disappear. Why should a man strive and strain in his work if he did not thereby get a great deal more than others by whom no extra effort is made? Is it wrong for a city printer setting complicated time-tables to get three dollars a day while his brother setting simple matter on a country paper gets but one dollar? And is it more selfish for the former to want all he earns than for the latter to want a share of that earned by somebody else and by that envious wanting to make his work worth less still? Without competition, which is the life of more things than trade, there can be no progress—nothing but stagnation and decay; and no competition will suffice that is not a striving for prizes that are won by some and hence are denied to others. In the tribal village, as in the family to-day, there was competition hardly less exacting, in which the strong gained leadership and control.

What About Involuntary Poverty? Yet surely a man willing to work ought to have a chance to get a living. But who is to be responsible for providing him with employment? There is a delicate adjustment here in the human will. Nature does not abhor a vacuum in physics any more than she abhors a guarantee in economics. The certainty of employment¹ dilated sible, and that is bringing the only kind of a better order capable of surviving.

The Rising Salary, Security of Tenure, and Eventual Pension enjoyed by professors in great universities like Harvard, and recently recommended by President Eliot as the ideal conditions to be sought by wage workers in general, are really possessed by the latter now, together with the pride in one's work, the permanent home, and the salutary local attachments. The

upon by kind-hearted dreamers can never come to men in their present nature without endangering civilization. Only a small proportion of the human race do really good work now, and

young professor's rising salary is earned by increasing knowledge and efficiency, in the same way that the young mechanic passes to higher work and better pay; while security of position depends with each on his being the best available man for the place. When consideration for him is the reason for the professor's retention (the trouble of getting rid of undesirable professors is well known) the college is injured and the effect on him is tinged with pauperization. The professor's pension is fully paid for in advance, by his accepting a salary materially smaller than his grade of ability earns, without future guarantee, in other professions. Large corporations, for their own gain, are now giving pensions to employees (page 104), but these prefer to collect all in cash wages, and to buy insurance for themselves. That the latter method of providing individually for the future should generally continue, as heretofore, is undoubtedly to be desired for all concerned, especially for society.

Bearing Daily More of the Risk and Trouble of conducting one's own affairs would keep professors more firmly grounded on the practical facts of life, and prevent their reputed soaring into realms of abstraction. Unquestionably the main reason why so many preachers are poorer than others receiving a quarter less in net income, is the weakening of preachers' capability by the practice (usually necessary or desirable) of providing them with homes, and the other practice (not so desirable) of caring for them in many ways. More objectionable yet, perhaps, is the consequent tendency with their families to regard extra attentions as a right. Hence, though on both sides the motive is generally good, such spending of church resources soon reaches a point where they are not only wasted, but result in positive harm. To direct kindly feeling wisely is a duty enforced by nature with the usual penalties. In the occupations mentioned, best results may perhaps be attained under permanence of tenure involving pensions or kindly consideration; but it is nevertheless true that from constant risk and responsibility, imposed by nature as conditions of efficiency, relief by other forces than one's own effort soon brings conditions decidedly worse. The only safe permanence in a position is that which one is continually required to earn.

A Claim on the Plant and Business in Favor of the Employee—to be based for the present on morals and later perhaps on law—was supported at some length by Mr. John Brooks Leavitt in the recent book "Labor and Capital" (Putnam). Such a claim might be established, but at what cost? By large corporations, as stated above, this arrangement is desired, in pensions and benefit funds, which enable them to keep down wages and to control employees through the effect to make the latter less able to leave positions (page 106). The more completely the value of labor is paid for in present wages, as unionists desire, the smaller becomes the possible claim for benefits later (page 295). If threat of strike, public opinion, or law

perhaps fewer do their best, whether that is good or not, although extra reward is usually certain, either in wages or in profits. The work of perhaps half the race—wage workers, enabled employees to hold their positions against others more desired by the employer, as was apparently done in the case of the New York elevated railroad (page 368), or curtailed his present right to lay off men at any time, the risk of loss from having to keep or provide for men not needed would justly and necessarily be guarded against, by keeping down wages, by declining the less profitable business and especially by hiring none of a desirableness not proved.

All is Paid for in Wages. The worker's need for employment is as great as the employer's need for labor. As these two needs balance one another, there being no choice but to work and to hire, the fact that the plant would be useless without the worker gives him no extra claim. The same could be said of his labor power without the plant. And what his labor adds to the rising value of the going concern (which value socialists would emphasize) is paid for in wages just as truly as what it adds to the value of current product, and as truly as the rising value the employment gives to the young worker's labor is paid for in higher wages. Neither kind of value, without full payment in wages, can an employer obtain long without having these wages raised from the influence of higher pay by competitors. They will not let another gain more from low prices for labor than from high prices for goods. While a resident has some moral right to be hired before a stranger (page 243), his claim on a job is vitally different from the tenant's right by custom in Ulster (now settled by law for all Ireland) to have his land for generations if the rent was paid. Guaranteed permanence in a right to land results in its best use and care, but by a guaranteed right to a job the labor and character of the ordinary man would be ruined. The employer's right of instant dismissal is balanced by the worker's right of instant withdrawal. Each, by his own loss, is effectively prevented from exercising his right without good reason. Whatever claim to his job the worker earns with faithful service, the employer is glad to recognize; and whatever claim on the worker's service the employer earns with fair treatment, the worker is glad to recognize. Moreover, an approach to involuntary servitude is involved in Mr. Leavitt's plan, since, if the employer could not discharge, neither could he be required to incur damage through the employee's leaving. If this liberty were given to the latter alone, the employer's extra risk would be well guarded against by keeping down wages and by not hiring. Society cannot possibly make the matter more favorable to the employee than he can (but wisely prefers otherwise) make it now by time contract, in which any disadvantage to the employer lowers the pay.

Trade Unionists Do Not Want a Return to the Patriarchal System, under which the serf or dependent was sure of a living for life, yet never had much besides. However, in strikes by the employees of coal mines, street railways and other monopolies, not only do they ask aid of public

employers, and all—is barely passable with the person paying for it, yet upon its acceptability depends the continuance of the employment or patronage from which they live.

Employment Guaranteed by the State or by Custom. If that is the condition now, so few putting forth their best effort, what would be the condition if employment and a living were assured by the state, according to some plan of socialism? And how would it be possible for a state official to inspect work or product so justly as it is inspected now by the buyer who must pay for and use it? If the mass of workers accomplished less than at present, there would be a smaller output of goods to

opinion to compel payment of wages deemed proper, with a right to positions against non-unionists, but by some observers even laws for this purpose are suggested, in compulsory arbitration or other state interference. The interest of the public in continuous service by these monopolies would constitutionally justify laws fixing the labor contract and compelling submission to arbitration; but from loss by any guarantees that forced the employer beyond the best conditions his own self-interest would concede to a good union, he would justly save himself by keeping down wages, raising prices, or curtailing business. By nature's law of compensation, every advantage gained must be paid for in some way—if not otherwise, by harm to the character of beneficiaries and by varied injury to society. In buying labor, as in other exchange, nothing can force one to continue further than he is led by his own gain. Beyond this point it is first taxation and then robbery, by either of which his business is soon stopped.

Enlightened Self-Interest on Both Sides is Removing the Trouble here, so that no new kind of aid, from either public opinion or law, will be needed in regard to the employee's right to his position, whether the business be competitive or in the class of monopolies. Unionists are realizing that they must make their work more desirable than that of non-unionists readily to be hired, while consequently employers are fast finding out that it pays them to recognize the union, and to win the good will of their men by treating them considerately (page 109). In the welfare of employees the owners of a permanent industry are as much interested as is the public. The arbitrary cuts in wages, and discharge of men, which provoked the railway riots of 1877, would not occur now, except occasionally when a trust dismantles a plant, and hence has no further need for the employees or interest in the town. Sound morals, public spirit, and business policy require an employer, in view of his men's dependence on him (page 198), to notify them of approaching changes, to discharge none without good reason, and generally to guard their welfare, though not to the extent of incurring loss to be previously provided for as stated above. Such loss to him results also in loss to them.

divide; and the effort of the few most industrious would be paralyzed by having to give in taxation a large share of their product to the huge army of state-supported incompetents. Consequences would differ but little if employment were assured, not by the state, but by benevolent opinion or custom. If the employer should come to feel that he had to keep men who did poor work, or to find work for additional men because of their need for food instead of his own need for workers,—amount and quality of work done would fall, and product to divide would decrease. Not only is higher welfare in material things almost wholly a matter of production, but of production by each individual for himself. Little change from the present division of the product can be brought about by better bargaining over wages, (page 133), or by taxing men's profits for the public. The great and beneficent change that is possible must come mainly through each person's producing more value for himself (thus enlarging supply to others), by acquiring more knowledge and efficiency, and by selling his labor where its demand value is highest.

Only a Dependent Can Claim Employment as a Right. No person not to be aided or supported as a dependent has a right to *employment*. He cannot demand to be hired, any more than a merchant can demand that one shall buy. His guarantee of a chance to get a living is nature's law of necessity for labor. This law is inexorable, and needs no reënforcement by society. People hire a man because they must have labor, not because he needs wages. The latter motive is charity, and soon pauperizes any but a sterling character. What a man has is a *right to work*. When division of labor came he gave up stock raising or farming for himself, and depended on employment from others, because he knew they *would* want his labor, not that they *ought* to want it if they could do without it. They exercise their own right to work when they do without him, and serve themselves. He exercises the same liberty when he chooses what to work at, how diligently, and in what place, and how to spend his wages. In the natural difficulty of producing things, and in the growth of new wants as this difficulty is lessened, his labor will always bring a return, and with employment as regular as his own and society's

wisdom will permit. The socialistic claim that society owes workers employment and a living, angrily asserted in thousands of trade union and general labor meetings in American cities during 1893-94, and cherished in all seasons by many in the less successful classes of city workers, does not make employment for the sake of aid any the less charity by bitterly repudiating that term, and by calling it a sharing by the workers in what as its producers they are alleged to own by right. The test of charity here includes the facts that the product of such labor is not wanted by the public which pays for it, and that the work is given to help the poor; also, that the wages previously received by those helped, in their usual work, were generally as much as their labor product was worth in the market. What such people have a right to from society includes a spare allowance of this emergency support, by reason of the demoralizing effect on the public of seeing people suffer, but consists mainly of such industrial education, such kindly encouragement to effort, and such a wise adjustment of laws and customs, as will best enable them to choose and learn the work that society *does* want, and from it to earn their own living with labor values that the buyer recognizes. All this is well understood by most people—by those in every class who see how nature is constituted, and adjust themselves to it.¹

¹Who Is It That Curtails the Right to Work?

"To my mind, chief among the needs that are pressing is the need that every man and woman should be secure in the right to make a living by labor. The right of man to work is a right that civilization seems to have forgotten. In some way society should secure to every earnest citizen the right to work—more than that, the right to rest from his work." (Edwin Markham, 1902.)

"Out on the roads they have gathered, a hundred thousand men,
To ask for a hold on life as sure as the hold of the wolf in his den.
They ask but the leave to labor, to toil in the endless night,
For a little salt to savor their bread, for houses water-tight."

(Markham, 1903.)

Jobs provided by the state to help the workers are meant in this appeal, which few men would be so unmanly as to make personally—jobs whose product, by falling below its cost in wages, would soon bring want, and would make the workers too dependent to shift for themselves when the system broke down. Those who do not labor with their hands for wages, especially the employers, might do more toward giving workers rest, by shortening the day where it is too long; but this large class desire for every human being free access to employment. Curtailment of the right to work seems to proceed wholly from the laboring class themselves. The introduc-

Attractiveness of Socialism. Workingmen are excusable for being drawn toward socialism. In view of the hard life endured by the mass of the human race, while the few possess

tion of unionism into a town brings hardship to a man shut out from work, or falling under disfavor, because he objects to joining, in which objection many a good man may feel justified by reason of the compulsion involved, and sometimes by reason of the radicalism of leaders. Old men and slow men may be forced to leave town in order to get work, being unable to earn the high union rate, and employers not being allowed to pay them less. There has been not a little of this experience in the rapid spread of unionism into the smaller towns of America during 1901-3.

Hardship to This Extent May be Unavoidable (page 293), since unionism is now clearly a necessity. When unionism is carried too far to the lower trades and to the smaller towns, into which the slower workers are forced, the hardship caused may be only temporary, since unionism does not last where it is not needed—where under small employers the workers may fare better on the average without it. It cannot proceed so far as to take away entirely the non-member's right and opportunity to work—as to shove him off the earth—though in its spread it may be to many a very disagreeable force. In the practice of shutting out non-unionists by boycotting a business man who lets a job to a contractor employing them, unions generally permit small non-union shops to exist in the large cities on the cheaper grades of work; and though in a small city knowledge of all the people and all the work gives unionism occasional periods of well nigh absolute power, it generally permits the older or slower carpenters to make a living as non-members on small jobs. The tendencies to delay or abandon proposed building when too much labor trouble is involved, and to resist unionism when its coercion is carried too far, are wholesome restraining forces. Its decline in small cities when the business rush subsides could probably be traced in many cases to its immoderate use of power, and to weariness of its compulsion. Yet it seems true that "the unskilled and less efficient workman has few greater foes than trade unionism." (C. P. Sanger, London.)

The Negro's and the Chinaman's Right to Work. For the fear of unionism which the public often feels, reasonable working men are not responsible, but nature, which made unionism necessary. But the widespread readiness in the working class to ruthlessly shut out a man from work because he is a Negro, or a Chinaman, has only the same justification, of might making right, that has always given the spoil to the strong, and that lies in the upper class thought of a dollar a day being enough for one who is only a laboring man. Preventing immigrants from coming may be just and wise, but not so is persecuting those already here to remain. Oftentimes the tendency of unionists is to treat other races or classes of labor likewise when these have the Chinaman's lack of influence. A union of carpenters in New Jersey refused admission to five Jews. In the effort in

more wealth and leisure than they can personally use, it seems that some arrangement ought to be possible by which the people as a whole, organized in a coöperative commonwealth, could own and carry on all industry, under elected managers, and from the surplus now lavishly falling to the rich could add materially to the living of all those scantily supplied. The oversight of course is of the fact that by nature capability of character can neither begin, nor continue to exist, except by individual effort and responsibility. The socialistic idea—appearing in ancient times in Plato's model for a republic, attaining great prominence in the French Revolution of 1789, and being worked into various plans of social reconstruction, during the early and middle portions of the nineteenth century, by French and German writers, including Proudhon, Lassalle, Saint-Simon, Fourier, and Karl Marx—was eagerly imbibed by the lighter or less balanced minds in the enthusiastic waves of trade unionism that have occasionally swept over England and America. In the growth of the Knights of Labor in America from 1882 to 1888, and in the spread of unionism

coal mining and other trades to unionize newly arrived foreigners, the desire to benefit them is doubtless secondary as a motive to the purpose of preventing them from displacing at lower pay those composing the union previously. The Atlanta University's exhaustive report of 1903 on Negro artisans shows that, despite the great strike of both whites and blacks in New Orleans in 1892 to aid Negro teamsters, Negroes are now shut out of the union practically wherever they are too few to be feared as non-unionists, but are admitted readily enough where their number is considerable. The American Federation's rule to admit to affiliation no union that excludes Negroes, it has not been enforcing strictly—apparently being unable to make its policy (of gaining ends politically and otherwise by unionizing the entire class) displace the common monopolistic policy by which in a city or a trade the union tends to shut out new men when it can. In 1902 the national union of stationary engineers voted enthusiastically to exclude Negroes. It is not to be supposed that brotherly "solidarity" is at bottom the reason why Chinese and Japanese are now being admitted to unions in the far West.

There Are Glass Houses on Both Sides in the contest between labor and capital. Fear of one's fellows, with unwilling submission to other coercion than that of the law, still exists widely in the most civilized society. The saying that there is none to molest, or to make afraid, is far less true in America now than it was thirty years ago, as to the exercise of business freedom and rights all are supposed to possess. Fortunately the trouble is the travail of progress, not a settled and dulling oppression.

among the unskilled workmen of Great Britain in 1889-92, this idea proved useful by inspiring dull or passive men with hope and purpose of attaining better things in life. It is the characteristic of a new unionism—of plans not pruned down by experience. When thus awakened from their lethargy by this over-colored picture of future possibilities, men have learned to organize and strive for mutual advancement, as an individual is led on in achievement by unattainable hopes held out in his imagination. Overdrawn pictures, therefore, result in these cases in not a little good.

Sounder Ideas Soon Begin to Appear, learned from experience in futile attempts to change too far a system of industry made what it is by the workings of nature. Gradually men give up the impossible socialistic hopes discussed in this chapter, and at different places in this book in connection with rent, interest, profits, and wages. They perceive that capitalistic (instead of socialistic) production prevails because, through its natural effect to reward every man according to his work, society gets the largest and best supply of useful things, and the highest development of capacity in men. They learn that the value of a wage worker's product, fixed by the natural influences of available supply and demand, cannot be changed without changing these; that to raise value by diminishing supply throws some men out of work and gives all less to consume; and that as in order to increase demand, price must generally be lowered, it is the man turning out a larger or better product, to increase income with larger sales at slightly lower prices, that can get and hold in higher wages a portion of the extra value his own and his employer's diligence produces. They notice that the employer's reward in profit, soon brought to the lowest limit by efforts of other employers to share it, is fixed naturally by supply of and demand for his managing ability, just the same as the high wages commanded by special skill are fixed above those for labor less desired. They find that a union comprising the best workers—not to be displaced—can take in wages all net income above the marginal employer's necessary profits; but that to raise one's wages further—product value being fixed by consumers' wants beyond his reach—he must either turn out more of the same product, or

sell his labor higher elsewhere. Level-headed men of the older unions comprehend all these things, and thus advance their crafts accordingly.

To Understand Thus the Possibilities of Wage Workers is the somewhat difficult mental task before the thoughtful among them who would actually improve their condition without unfounded discontent. So long as a man holds socialistic notions, nursing exaggerated feelings of unjust treatment, and looking for a time when good is to come to him apart from his own individual effort,—so long his tendency will be to neglect to acquire skill, and habits of industry and thrift. Without these habits he is worth little to the public, and little he will get. Workingmen, to the advantage of any considerable number of them, will never have the chance to deceive the people as certain favored classes of capitalists sometimes deceive, for their own gain at the people's loss. In striving for self-advancement, workingmen, to make progress, must confine their attention to things within reach—to individual effort to do the most and best work, and to both individual and union effort to sell this work for all it can be made to bring.

Socialism Was the Only Practicable System of society in tribal times, when people had to live together as a great family for the sake of protection from enemies, and in order to get a living by the crude and uncertain methods of barbarism. By nature people in any age fall back on socialism in times of emergency. The members of the Christian church, for a short time at its beginning in Jerusalem, put their property together and had all things in common, their embracing of the new faith having the effect to shut them out from their previous means of support. But in the present age, apart from dire emergency, socialism could not be maintained by the effort of all classes together. If under a widespread craze every man in the country heartily swore to support a socialistic commonwealth, it would soon be found that few were living up to the agreement. Many a man would secretly keep back from the common fund a part of his product for himself, as did Ananias and Sapphira when they sold their possession at Jerusalem. Nothing is more settled in human nature than unwillingness to labor without large and clear personal gain otherwise beyond reach. Only

the few of high character, moved by regard for others, would labor effectively (and these not long) if without effective labor there were a chance to attain one's desires from a collective fund. To maintain sufficient steadiness of work for support under socialism, people must be led by religious faith and settled principle, as are the Shakers and others in America (page 93); by pressing need for one another's help, as were the Pilgrims for a short time at Plymouth; or by the power of a ruler, like Captain John Smith in the Virginia colony, when he enforced his decree that those who would not work should not eat. The pressing need and the ruler's power generally come together, as in the sieges of Kimberly and Mafeking. In the socialism of barbarous tribes, before it gives way to private ownership and rise toward civilization, people are held to their work by the stern power of necessity, of custom, and of authority.¹

Impossibility of Division of Wealth by Violence. But among the possessing classes there is no indication that they will ever swear allegiance to a socialistic commonwealth; and those who are able to get property are usually none the less able to have and to hold. Taking their wealth by violence, to divide among the needy, sometimes hinted at by dynamite extremists, would stop their farming, mining, and manufacturing. As at any one time the country has perhaps less than a year's supply of food and fuel, the poor and all others would soon be

Government Service and Socialism. In matters beyond the power of men acting individually, or with services not thus to be rendered well, society is socialistic still. This is the case with government provision of roads, bridges, postal facilities, etc. In the matter of irrigation in the Rocky Mountain states, circumstances for many years compelled the Mormons and other settlers to coöperate, and exhaustion of water in easy reach is now leading to control of irrigation by the government. In Australia individuals are feeble before the dry climate and great distances, and hence public welfare requires there more government intervention than is beneficial in other lands. The need for more socialism arises in these cases from misfortune or natural disadvantages. In ownership by British cities of street railways and model tenements, more socialism is necessitated, partly by the disadvantage of density of population, and partly by a desirable rise in civilization, enabling the city to benefit its people greatly by supplying economically many services. Such a rise in capability of honest self-government seems to admit of a considerable extension of public ownership of monopolistic services.

in want. In the dullest times only a small fraction of the nation's workers could long be spared. But violent division of goods is hardly worth considering. Anybody knows that such an attempt would speedily come to naught before the sense of justice on which society rests. If the continued prevalence of this sense of justice were doubted, accumulation of capital for production would be checked, business stagnation would set in, and poverty would be terribly increased. By the reasonable mind, despite the crying need for reform of monopolies, very few who have property are considered robbers.¹

But Recent Socialistic Agitation Has Resulted in Much Good. Not only has the hope it awakens served to widen among wage workers their movement for self-help through unionism, but it has also pointed out abuses, and brought public opinion to a better realization of the unnecessary hardness of the lot of the common people. Amelioration of their condition has become popular in all the enlightened countries. Leaders of thought are pointing out the necessity of unionism; men of influence are active in promoting good will between labor and capital; philanthropy is engaged in a great variety of enter-

¹**Need of the Working Class for Steady Production.** A prominent lecturer, touching upon the line of thought in F. Hopkinson Smith's novel "Tom Grogan," which portrays some of the worst features of unionism, expressed in 1900 a belief that strikes would eventually lead to war. He must have meant riots, perhaps bloody and destructive, but necessarily short-lived. People who do not accumulate property, nor conduct independent business, cannot carry on a war of consequence. The sinews of war, in the form of supplies, are no less necessary than men. Though everything ready for use were taken by force, the stoppage of production would soon bring peace, by scattering and destroying the people, if not otherwise. Men indulging in violence, whatever their notions as to the justice of their cause, could not long hold out against men of equal courage defending their families and property. Fortunately, the influential labor leaders do not think of taking property by force. They know that violence in strikes injures their cause, and that the working classes, above all others, want uninterrupted production, with recourse to the strike only as a last resort. The many working people who have homes and bank deposits to lose are safe on the side of law and order, without which what liberty there is belongs only to the shrewd and strong, who prey on all others with impunity. Those who applauded the forcible taking by citizens of coal from cars in the winter of 1902-3, and who apparently felt as if a new public power had been discovered, seemed not to notice that to get coal thus there was only about one chance.

prises for uplifting the poor; government is disposed to go as far with laws favoring labor as wisdom will permit; and in general education these forces unite, to lead all classes to seek the great possibilities of good that are attainable through intelligence and foresight. Very important also has been the effect of socialistic teaching in promoting the movement to tax inheritances, and to save for the people the surplus gains of municipal and other monopolies. Reforms of this character now in progress were outlined in the preceding chapter, and were touched upon in the first four chapters of the book.¹

Socialism To-day in Germany is represented by a large party (3,000,000 votes in 1903—a plurality), which elects an influential minority (81 out of 397 in 1903, 58, before) of parliament, and places many of its candidates in local offices. To a less extent the same is true of France, which for several years has had a socialist in her national cabinet; and socialistic sentiment in some form has become an important element in politics in every European country in which the common people vote. While largely influenced by the socialistic doctrine of state ownership of all land, capital, and business, and while including many extremists, and issuing sometimes manifestoes demanding a leveling of all to an equality without regard to service,—these in positive action are rather democratic than socialistic parties, seeking to secure for the common people more and more of the power and privilege so long held by the upper classes. The socialistic action of these parties consists of agitation (much of it successful) for additional public regulation of mines and factories, employers' liability laws, state insurance against accident and old age, and other intervention by the government for the welfare of working people. As the socialists, increasing in number, acquire power to affect legislation, they necessarily turn from impossible ideals to reforms that are workable.

Political Strikes in Europe. Recently the party of the common people, led by the socialists and labor unions, has been more prominent in Belgium than in any other country, and seems destined to secure there very soon its demand for universal suffrage, either by the pressure of agitation and strikes, or by outright revolution. Large and in some cases riotous strikes in many Belgian industries, in April, 1902, were declared off before much injury had been incurred by business, but not until the suffrage reform movement had been greatly accelerated. It was largely by strikes that the Belgian suffrage reform of 1890 was secured. Strikes for the same purpose, of securing extension of the right to vote to more men of the lower class, were resorted to in May, 1902, by the social democratic party of Sweden, and the Swedish parliament promptly took action toward the reform demanded. In Holland also, in February, 1903, a strike of 90,000 railway workers and others was threatened, in opposition to a pending bill for prohibiting strikes on railways; but this threat proved the need for the proposed law, which

was speedily enacted. This new and political use of strikes, without grievance against employers, though it seems to contain an element of mob intimidation of the legislature, is perhaps rather a use of the old right of revolution, as a last resort in changing an unsatisfactory government. Such strikes may not become an abuse, since they would injure the cause agitated, and weaken the labor movement, if the political demands were not generally acknowledged as just. The many strikes and riots of the last several years in Russia, by students and workingmen, were of a revolutionary nature, and have produced the desired effect, in the Czar's recent concession of religious liberty, of some measure of local self-government, and of various reforms to benefit the lower classes.

Socialism in English-Speaking Countries.—In Great Britain, though trade unionists and socialists elect about a dozen labor members of Parliament, and many minor local officials, the separate political party of socialists is small; but the tendency of prevailing opinion, without much regard to party, is socialistic to the extent of public ownership of all service monopolies except railroads, and of an elaborate and growing system of laws to protect labor. The same is true, to a less extent, of the United States, and here too the separate body called the Socialistic Labor Party is insignificant in numbers and influence, polling but 40,000 votes in the presidential election of 1900. It has consisted almost wholly of immigrants from Continental Europe, living mainly in large cities. A new organization called the Social Democratic Party, led by Eugene V. Debs, leader of the railway strikes of 1894, and consisting mainly of the native American class, polled 87,000 votes in 1900. Brockton and Haverhill, Mass., now have socialist mayors, as they have had before, and a number of socialist aldermen; Hartford, Bridgeport, San Francisco, Des Moines, and a few smaller places have trade unionist mayors; in a number of cities a few socialists have been elected to the council or to minor local offices, and at many places trade unionists, by election or appointment, occupy such positions. But in their yielding to temptation their success in politics has often harmed the cause of labor. One reason for the exceptionally bad features of unionism in the Chicago building trades in the strike of 1900 was the connection of union leaders with the city government, a dozen or more of them holding appointive positions. After the strike the unions made rules to prohibit the holding by some of their officials of certain political places.

Political Parties of Workingmen. In these local cases there has been in some elections a separate party of workingmen. Both in America and in Great Britain the union of working class voters into an irresistible separate party has been thought of as possible; but in each country labor unionists have found it best to remain in the two old parties, both of which are anxious to win votes by serving them. The American Federation of Labor has repeatedly voted against forming a separate party. Moreover, any policy too radical for the old parties would ordinarily be opposed by the main body of unionists, as they oppose socialism. The variously socialistic vote in the American state elections of 1902 was much larger than ever before (possibly

350,000), partly because of the anthracite coal companies' unreasonable refusal to recognize unionism. In Great Britain, since the court decisions of 1901-2 holding union funds liable for damages, the trade unionists, in the hope of securing new laws, are leaving the old parties and voting in about fifty districts for labor candidates for Parliament, by which means they hope to double soon the number of labor members. The fund raised by unions for political expenses is expected to reach soon \$250,000 a year. In all the countries mentioned there are in the educated middle class a few active reformers who advocate going very far toward state ownership of land and capital. In Australasia, though there is no political party called socialists, a great majority of the people have socialistic ideas, and the state has gone furthest of all in carrying on various kinds of business for the people, and in enacting laws to benefit the working class. The avowed socialists of the world, by their own estimate, number about 7,000,000. The main centre of their activity is in the building of the great coöperative department store in Brussels. A few of the more extreme socialists are still hostile to trade unionism, regarding it as a mere palliative for making the present industrial order endurable, which they desire first of all to destroy; but as a rule socialism is now, in all lands, friendly to unionism, and many workers are adherents of both (page 292). Socialism, in the form of a convention society called the International Working People's Party, divided soon into two bodies, one more violent than the other, arose in Europe in the sixties. As a party it arose in Germany in the seventies, and as a doctrine it spread in England and America during the eighties.

The Different Socialistic Doctrines. *Socialists* think that the state, as the owner of all land and capital, should employ all the people, paying wages differing somewhat, according to work done, and to reasonable need, and permitting private ownership of consumable wealth—not of land, or of capital in business. Many fantastic schemes have been suggested for carrying out this plan. *Communists* want all to share equally, without regard to service rendered, and without private ownership of consumable wealth. *Anarchists* are the violent, bomb-throwing class, opposed to all government as useless except for oppression, and hence believing that the first thing to be done is to kill the rulers and destroy the present system of society. Some anarchists in Continental Europe have been embittered by harsh repression of aspirations for liberty. This is probably the case with the Russian Nihilists. The anarchists who killed the Chicago policemen in 1886 belong to an excited class who brood and rave over the evils of life, in the bitterest atheism, until their ideas become distorted. In fact, disbelief in Christianity, and hatred of successful people, are common in all these grades of socialists, though they include also not a few devout Christians. Philosophical anarchists have no part in violence, but believe that if governmental restraint were abolished people would be just and good by nature. *Revolutionary socialists* are the few socialists and anarchists that have advocated an uprising of the common people, to seize a share of wealth, and to change society suddenly by means of armed force, as was attempted by the

communists who burned the Tuileries in Paris in 1871. Other socialists are *evolutionary socialists*, teaching that under the present system of competition, by inevitable forces of nature, a constantly increasing proportion of people will fall under deepening poverty, while wealth, through rent, interest, and profits, falls into fewer and fewer hands, until the state, to stop the cruel process of competition, will find it necessary to take upon itself a complete monopoly of production, with the result that all people will then live in ease and plenty. Of course the recognized economists, perceiving that competition, while causing trouble like all other forces of nature, and requiring regulation by reason, is yet the only source of achievement and of character development, as shown in the preceding chapters,—have not accepted **any** of these systems of doctrine, though to a large extent they agree with the socialists in such reforms as factory legislation, inheritance taxation, and public ownership of street railways.

CHAPTER XV.

THE SHORTER WORK DAY.

From Fifteen Hours Down to Nine and Eight. In England, from its greatest length of 12 to 15 hours a century ago the length of the work day has been brought down to 9 hours in most occupations—in some of them over forty years ago; to 8 hours, or a fraction less, in city building trades and some other industries; and to under $6\frac{1}{2}$ hours among many thousands of coal miners. In America the work day has lately been changed from 10 to 9 hours in many occupations, and to 8 hours in a considerable number of them, especially in work for the national and local government bodies. The cigar makers' union secured generally for its trade a shortening of the work day from 10 to 9 hours in 1884, and then to 8 hours in 1886, at which time the 8-hour day was also secured by a much larger aggregate number of workers here and there in different occupations, while the long days of many trades were shortened by an hour or more. Unions in the building trades, securing in large cities in the early eighties a change from 10 to 9 hours, obtained the 8-hour day in many large cities in 1890; in other places, about that time, the day was reduced from 10 to 9 hours. In the building trades a longer day than 9 hours is now the rule in very few towns of considerable size. In New York city, during the last four years, they have worked only 44 hours a week, stopping at noon on Saturday—a good custom that has become general with most trades in British cities, and that is now common with many of them in large cities of America. The strong union of granite cutters issues no charter to a local union unless its members have the 8-hour day and a wage of at least \$3. Among American furniture workers, in the unionized centres of their trade, the 8-hour day has lately become the rule, as it has been since 1898 with the main body of soft coal miners (those

in the union), and in mines and smelters generally in the Rocky Mountain states. Gradually also it is being extended to bodies of workers here and there in many trades, being now enjoyed by nearly half the unionized workers in New York state. Nearly all the shortening of the day just outlined, except that in government work, was secured by strike pressure, though in perhaps most of the cases the threat of strike was sufficient. In 1901 the demand and strike of the machinists for a change from 10 to 9 hours was successful at many places. Two years earlier union printers secured the 9-hour day without strike. Perhaps all the important mechanical trades in cities will soon have a work day not longer than 9 hours. For twenty years this has been the work time of the large class employed in city dry goods stores—from 8 to 6 o'clock, less one hour at noon. In fact, by the great spread of unionism during 1901-3 the 8-hour day has been made the rule in public work in scores of cities, down to very small ones, and in not a few of the smaller cities it has been secured by many or most of the unionized trades.

The Earlier Steps in the Shorter Day Movement. A 10-hour day, from 7 to 6, ordered by President Van Buren in 1840 in the navy yards, was then being adopted in large cities in mechanical trades, though in some towns of Massachusetts a maximum of 84 hours a week for carpenters is reported up to 1851, 78 hours up to 1861, and 72 up to 1867 (72 up to 1880 in New Hampshire and New York). There was a minimum of 54 hours for carpenters in Louisiana and New York by 1872, and of 48 hours in Missouri by 1880. The 8-hour agitation beginning in 1867 resulted not only in enactment of the laws described further on, but culminated in 1872 in strikes, by which carpenters and masons in New York city secured the 8-hour day until deprived of it by the next year's depression. But until 1899, 10 hours (or 59 hours a week) was the work time of probably a large majority of mechanical workers in America as a whole. To shorten the work day has been with unionism, ever since its beginning, an object second only to raising wages. Even the 8-hour day was beginning to be considered by some British unions in the early fifties, when the 9-hour limit was coming within reach. Since 1884 shortening the day has been the main effort of the American Federation

of Labor. The Australian colonies lead the world in short work days, Great Britain coming second and the United States third. Australia's 8-hour movement began in building trades in 1856, partly because of the intense heat of the southern sun, and spread gradually until by 1892 the annual procession in Melbourne of men who had secured an 8-hour day numbered 52 trades. The movement there since has continued to spread. In New Zealand the 8-hour day has become practically universal outside of agriculture and transportation.

A Longer Work Day is the Rule in Factories. Tending machinery mainly automatic is less exhausting than ordinary mechanical work; besides, factories are easily lighted, while low value of product, and low pay for the grade of labor employed, necessitate a long day to make wages adequate. In the Northern States of America 60 hours a week in cotton mills is now perhaps the longest work time in factories. Until about 1885 the usual time was 66 hours. In 1895 a week of 72 hours was the rule in cotton mills in some of the Southern States. This is still the time in some mills, though 70 hours seems to be the time with a larger number, and 66 the time most usual. North Carolina manufacturers agreed in 1901 to run not longer than 66 hours, in a resolution against the proposed enactment of a factory law by the legislature then in session. By the United States labor reports of 1900, the longest time of work in recent years seems to be 75 hours by all Belgian flax spinners in 1885, and by some of the French as late as 1896. The usual work times in 1900 for factory spinners on the Continent were 63, 66, and 68 hours; in Great Britain 54 to 56 hours, the latter being the limit by law. After 1904 the maximum will be 60 hours in France. Rhode Island wool spinners worked 84 hours up to 1858. To work thus 6 days of 14 hours each, with half an hour off at noon, it would be necessary to begin in the morning at 6 and continue in the evening until 8:30. The English spinners worked 74 hours in 1804, 69 in 1833, and 60 in 1848 (after the 10-hour law of 1847). Massachusetts, with 58 now, reduced the factory week from 66 to 60 hours by the law of 1874. This was the first effective law of the kind in America, and was the only one until after 1882. All the states having factories have such

laws now except several in the South. New Jersey and Ohio set the limit lowest—at 55 hours.¹ The British law of 1901 reduced the time to 55½ hours. It had long stood at 56½ and 57.

Working Time in Different Occupations. Sweat-shop garment workers, both in England and America, who are on piece work, and who in many cases work, eat, and sleep in the same or adjoining rooms, naturally stay at their tasks a long day, 12 to 16 hours. In household manufacture a long day was always the rule, work often being resumed after supper. Street car men in some American cities now work about 12 hours a day, though the usual time varies from 9 to 11.² Firemen in Philadelphia breweries are on duty 84 hours a week. This is the usual work time, in different states, for some sections of employees at cement works, blast furnaces, and other industries in which firing processes are kept in operation day and night. The men are on duty 12 hours a day for 7 days in a week, but are not constantly busy, and do not usually work many weeks without missing a day. Many breweries and steel works have changed to 3 shifts of 8 hours each. The street car men working the long weeks mentioned were not constantly busy like a mechanic. The custom of American farmers has always been to rise and feed their horses at about 5 o'clock in summer, a few at 4, and to remain out till about sundown, 7 o'clock; but deducting time spent at meals, and in going to and from the field, they seldom get in over 11 or 12 hours a day—often less. In many districts, under the in-

¹Perhaps the largest and latest body of information regarding the eight-hour movement, together with the soundest discussion of all its phases, is that contained in the New York labor report of 1900.

²**Street Railway Hours.** In an important city of Pennsylvania, not one of the largest, a street car man in 1900 stated that he worked every week day 12 hours; then on one Sunday 8 hours, on the next 10 hours, and on the third 12 hours. This makes an average of 11¾ hours a day for seven days in the week. The U. S. Labor Department report for 1900 gives the week of one street car company in Missouri in 1882 as 78, 108, and 93, for lowest, highest, and average; one in Maryland in 1893 as 60, 105, and 83; one in Pennsylvania in 1885, employing 1125 men, as 72, 102, and 91. With street railway men a day of 14 to 17 hours was common up to 1886. A shortening of their day has been rapidly spreading from city to city with the growth of unionism during the last several years.

fluence of the shorter day for common labor about towns, some farmers are now quitting early, working only about 10 hours.

In Past Centuries in the apparently long days of labor, meal time was counted, and in out-door work the day was soon shortened by approach of autumn. Doubtless the rule then was to work about as American farmers and country mechanics have worked in recent times. For all kinds of labor in England up to 1750, though the morning start was very early, the time per week was not long, being shortened by a day off to go to the market town, or by a long rest at noon or at the close of the day. In some trades the custom was to rush during four days and then to spend the other two days in drunkenness. Longer work days came with farming on a larger scale by employers with capital. The greatest length was reached in the factories of 1770-1830, the effort of whose proprietors was to make the most use of their costly machinery. Yet in those days, reaching even 16 hours in some cases, meal time was doubtless counted. The longest weeks of actual work in textile factories, by the United States labor report of 1900 (covering several centuries as far as information was available), were 84 in Rhode Island in 1858, 78 in Massachusetts and Switzerland up to 1848, and 74 in England up to 1830.

Highest Wages for Shortest Days. Wages have not varied according to the length of the work day. Generally they have been highest where the day was shortest.¹ Wages de-

¹**Long Days and Slow Work.** The longer the day the more the rest that must necessarily be taken as the work is done. With a day of fourteen hours, workers would need to be very slow to avoid breaking down. A man who works every night, often the case with a person doing his own work, accomplishes something extra the first few days, but afterward weariness usually makes his product smaller than it would be if he worked only ten hours a day. Working seven days a week, as in some industries and many localities of Continental Europe, tends to make people very slow and very dull. Then they are resting all the time as well as working. It had the same effect on horses, in the old days of wagon transportation to the West.

The Necessity for a Quiet and Thoughtful Sabbath is found in nature. The good effects of such a rest day appear in enlarged production not less than in improved character. This fact undoubtedly is one of many reasons for the marked and varied superiority of Sabbath-keeping England and America over the Continental countries that make Sunday a day of work or

pend less upon time than upon skill and speed, upon the difficulty of doing the work, and upon the machinery equipment for turning out a large product value. Wages in Massachusetts cotton mills running 10 hours were as high or higher per day than in adjoining states when the time in the latter was 11 hours. The main causes of difference of pay in textile factories seem to be coarseness or fineness of goods made, quality and speed of machinery, and quality of material used. In an Alabama cotton mill running 70 hours a week the daily pay of women spinners is given by the above cited labor report at 20, 80, and 42 cents, for highest, lowest, and average (piece work); for men spinners the figures are 30, 47, and 41 cents. The lowest sum may be earned by children or by beginners. In a Massachusetts mill running 58 hours, women spinners earn 28c., \$1.25, 83c. per day; in another mill men earn \$1.81, \$1.93, \$1.87 per day; in a third mill men earn \$1.00, \$1.12, \$1.04. The daily rates in an India mill, 66 or 72 hours, sex not given, are 13 cents for lowest and 35 cents for highest. In an English mill, 56 hours, these rates for men are \$1.38 and \$1.62; in a French mill, 66 hours, 97 cents and \$1.02; in an Austrian mill, 66 hours, 81 and 95 cents. Time has practically nothing to do with the fact that in several building trades men in the large American cities get now 50 cents or more an hour for 8 hours, while men in small cities get but 15 to 25 cents an hour for 9 or 10 hours. Speed and quality of work are factors, but the main cause of difference is the money value of the building to the man who has it erected. In small towns very little building would be done at 50 cents per hour, unless the workman did about twice as much in value (by quantity or quality) as the men at 25 cents. In the

a holiday of unrestrained pleasure (though on the Continent laws prohibiting Sunday work are being extended from trade to trade, no Sunday manufacturing being now permitted in Germany that can well be avoided). An official of the Pennsylvania Railroad, measuring carefully, in tons of freight handled, the work of warehouse laborers, concluded that "whenever labor had been employed on Sunday, after six days of previous employment, its productive value on the following Monday decreased not less than ten per cent, and as day was added to day the reduction of capacity continued to increase," both quantity and quality of work being lowered. (*U. S. Labor Bulletin* No. 37, page 1044.)

building trades in cities, and in work about docks and warehouses, the rate of pay at present is usually by the hour, and is high per day for the 8 or 9 hours worked. But employment is irregular. A convenient hourly rate is the rule also in railway shops and other concerns that make the day very short in dull seasons. Sometimes therefore a specially short day is undesirable to workmen, amounting to partial employment. Also in factories, piece work being the rule, faster or steadier work, or better machinery, is generally necessary to prevent a shortening of the day from lowering earnings.

Hourly Wages and Selling Value of Hourly Product.

Like wages, whose hourly or daily rate it largely determines, the length of the work day, as related to an amount of pay deemed essential, depends upon the proceeds from sale of product. Where employers of average success are regularly getting more than the lowest profit for which they would contentedly remain in business, they will usually pay in extra wages, especially at times when wages are rising in other occupations, a large share of the extra profit to avert labor trouble, or will grant a shorter work day without wage reduction. If in the tenth hour as much work has been done as the average for the previous nine hours, a reduction of time to nine hours per day, at the same pay, would be an increase of wages by 11 1-9 per cent, unless the extra hour of rest increased the hourly product. But in any work not fixed in speed by steadily running machinery, less is done in the tenth hour, by reason of weariness, than in other hours; and the work of the last hour, like overtime work at night, weakens a person for the next day.¹ It is this weariness that causes accidents to occur two or three times as frequently in the last hour as in other hours—a fact

¹**Bad Air and Too Much Heat** are also very weakening on workmen. Aside from their health and comfort, the employer could well afford to maintain pure air and proper temperature for the additional work he could thus obtain. This matter, in small shops, is often neglected when left to the men themselves. Some people, to save heat, or to avoid cold as an unmitigated evil, seem to try in their homes to keep the same air all winter. From its rank impurity one might think sometimes they had succeeded. Apparently they do not want to know that fresh air heats more quickly, and holds heat longer.

proved by accurate European statistics. With the steady machinery too, weariness, as a rule, either lowers the quality of the work done, or by frequent stoppage lessens its amount—often causing both these losses. Therefore, with the encouragement of gaining their demand, with the intelligence to be acquired in leisure time, and by avoiding the weariness caused by working long days, a force of men might turn out as much value in product in nine hours as previously in ten, leaving wage cost per unit of output as low as before. It was for these reasons, apart from improvement of machinery, that daily output per worker was even increased by shortening the factory day from twelve and eleven hours to ten, with the result that there was a rise of wages.

But if Men Were Not Overworked at Nine Hours, the last hour would differ less in results than in the other case, and reducing the time to eight hours would probably be an increase of wages to almost the full $12\frac{1}{2}$ per cent. At \$2 per day the rate per hour, 22 2-9 cents with a day of nine hours, would become 25 cents with a day of eight hours. If an average of no more and no better work per hour was done than before, the daily product would be reduced by one-ninth. There would be a falling off of one-ninth in gross sales per day, with an increase of one-eighth in wages per hour, making the smaller product cost as much in wages as the larger. If with the nine-hour day the profit of marginal employers were the lowest sum for which they would contentedly remain in business, and if by reason of plentiful supply of the grade of labor the union could not raise the margin by driving out weak employers unable to pay high wages, there could be no shortening of the day to eight hours without reducing the daily pay.

And Other Items of Cost Begin Here to Increase. For the reduced eight-hour daily product, the employer (unless business in general declined) could not reduce rent of land, interest on capital in machinery, or cost of advertising and other selling expenses. The share of these fixed costs falling on each yard of product would therefore be larger with eight hours than with nine. Cost of raw material and wear of machinery would be reduced the full ninth, and fuel nearly the same; while a little gas would be saved in winter, and

perhaps, by reason of lessened fatigue, there might be some increase of general carefulness, resulting in less wear and tear.

What Length of Day Will Give Highest Wages Per Hour?

In view of these facts it may be concluded with some certainty that the lowest cost of product, reaching, with the price lowering involved, the greatest aggregate of sales, and affording the largest total of net proceeds to divide with workmen in wages—is obtained in the longest work day through which the best average speed of continuous labor can be kept up without exhaustion to the close of the last hour. With such a day, any one hour paid for in wages yields as much in wage-paying product as any other hour. Making the day include all these hours the workman of average strength can bear without injury, reduces interest on capital, and other fixed charges, to the lowest point per yard of product that does not increase other expenses.¹

What Speed of Work Yields Best Results? In ordinary occupations this longest day, of full average speed of labor

¹**Running Fifteen Hours a Day Would Reduce These Fixed Charges** per hour, but in the later hours the gain in fixed charges would be more than balanced by the extra labor cost of poor work done in weariness. Running all the time, with a night and a day shift of men, as in mining (Sunday included everywhere in the far West until recently), reduces fixed costs per item of product to the lowest possible point. This continuous operation is necessary in navigation, railroad transportation, and brick burning; while it is sometimes profitable in the short summer season of northern saw mills, and in other industries for a time during busy seasons. But to people not long accustomed to night work, the weariness it causes is much greater than that of day work, reducing the workman's product per hour. Expense of lighting and extra danger of fire, except in underground work, must also be considered. It is well that these drawbacks to night work save to the working class, except in special cases, nature's rest time of quiet and peace. There is hence a good reason, apart from others explained in the next chapter, for the customary union charge of a price and a half for overtime at night and on Sunday. Customers so anxious for quick work as to want it done at night should be willing to pay well for it. The weariness of the workmen next day brings loss to the employer also, especially when they are paid by time. And unless the hurried job is one that must be done quickly or not at all, it is not an addition to the business of the trade. It would otherwise be done later in regular hours, and would postpone a little further the dull season of partial employment. Wise employers know overtime is bad.

to its end, is probably very nearly nine hours.¹ Considering both the workman and his product, the speed of labor now usually maintained in well managed shops may perhaps be taken as the best. To make it faster would bring haste, and its waste of material, of equipment wear, of quality of product, and of workman's strength. To make it slower would weaken his concentration upon the work in hand, tempting him to talk or look out the window, and often lowering instead of raising the quality of his product. The best in quality, as well as the

¹*That Change to Eight Hours Did Not Lessen Output*, when made in 1892 in the shops of the British war and navy departments, is asserted by Clement Edwards in the *Contemporary Review* for January, 1902, with quotations from the Board of Trade, and from the Secretary of War, to the effect that the change from 9 hours to 8 resulted in a saving of fuel and gas, in less wear and tear, and that the men soon did as much per day as before. He says that both in machine shops and in cotton factories in England more work is done now than was done a few years ago in weeks several hours longer. Perhaps this result is mainly due to use of better machinery, which in the longer day would turn out still more, and admit of higher wages; and very probably the speed of navy yard men whose product was not lessened (in the desire to make the change a success) had not been so high as that prevailing with American manufacturers. E. Levasseur ("The American Workingman," page 126) mentions a British report of 1893 giving cases of piece workers who after a time earned as much in 8 hours as previously in 9; but he mentions also a British coal mine in which both product and wages fell. John Rae, in his book of 1894, "Eight Hours for Work," cites a number of cases in which as much work was done in 8 hours as previously in 9, especially a Salford machine shop employing 1,200 men; but in most of these cases there was a change from what an American would call the absurd British custom of trying to work half-faint for two hours before breakfast, starting at 6 o'clock—a custom that now is passing away. When by Montana law in 1901 the day was shortened to 8 hours from 12 in smelting and from about 9 net in mining, the decrease of daily output per miner, and the increase in total cost of product, were both small. The men in smelting had previously been overworked, losing then much of the time paid for, and doing work of poor quality. The government reports, Mr. Mitchell points out, show an increase of product per man since the day of the soft coal miners was reduced in 1898 from 10 hours to 8. No doubt new machinery and better management are factors here, but other important factors are increased vigor and contentment with the men, caused by shortening the day and by an increase since 1898 of 50 per cent in wages. The net shortening was about one hour, as the ten included the time spent in going in the mine. Machine-mined coal was 16.19 per cent of all produced in 1897, but in 1900 was 25.15 per cent.

most in average quantity, is generally done when a man's mind is absorbed under voluntary pressure upon the work in hand. It is doubtful if slower work would be better for the health of the body. It surely would not be better for health of mind and character. In body, mind, and character combined, to maintain good fiber a man needs rest no more than he needs active and cheerful concentration upon some work useful or desired.

Where Shortening the Day Must Bring Reduction of Wages. A shorter work day than about nine hours therefore, where that is the longest time of full average speed to the end, may hardly be established, where wages depend upon sales of product, without lower wages per day than would otherwise be obtainable. A monopoly, such as a gas company or a trust owning patents, would pay the extra sum per hour from its own net gains, not raising price above the point at which volume of sales brought net proceeds to the largest total; but in this case there would be no just way (page 351) for the union to raise wages materially above those of men of the same grade in other trades who might displace its members. In government work, where product or service is not sold in the common way, any short day, or any high wages, will answer that public opinion permits.¹ But a private em-

¹**An Eight-Hour Day for All City, State and National Employees** is now perhaps a good example for the people as a whole to set before private industry. Such a rule in public employment strengthens the demand of the workers for the same rule in employment that is private. Every addition to the number of people that properly have the short day aids in establishing it as a custom, whose prevalence is evidence of general assent to its justice and propriety. A claim to what is enjoyed by others cannot well be denied without showing good reasons for difference. A public eight-hour day tends also to establish a preference for a reasonable amount of leisure rather than for more goods; and, as shown further on, money wages under a private eight-hour day would soon be adjusted as accurately as at present to market value of the labor product. The eight-hour day is now the rule in perhaps most of the public service, both in England and in America.

The Inestimable Value of More Leisure. Wage workers, and employers too, must have more spare time, and be less spent by their daily tasks, if they are not to shorten their lives, and if they are to make good use of the present abundant means for physical, mental, and moral improvement. The exhausted man must usually be excused for neglecting libraries and lectures.

ployer having no monopoly, even with pay by the hour, and with no rate per day, a loss of an hour of time causing a loss of an hour of pay—would have to require nine hours if the

He will do well if he does not want to be excused from church also. Excessive weariness is an inducement to drink. There is good evidence that shortening the day has everywhere promoted temperance. When the British law of 1847 went into effect, shortening the textile factory day from 11 and 12 hours to 10, there was a decided increase of effort at self-education, fifty night schools being open in Leeds in 1849. As to American miners the testimony is similar. The shortening of the work day, with the increase of hope and of energy it evokes, and with the active self-help in unionism necessary to attain it,—has doubtless been the main cause of the rise of British and American workmen in efficiency, intelligence, and capable citizenship—the essential elements of strength in a nation. In this way the shorter day has been largely the cause of the unprecedented progress of these two nations in wealth and enlightenment. It is with the shortening of the day that Continental workmen are now improving in the same way. Dr. C. B. Spahr ("America's Working People," 177) sees in the short work day a cause of the fact that only in Anglo-Saxon countries has participation by the common people in government been heretofore of consequence, since men working twelve hours a day are too dull and ignorant to make good use of the right to vote; and the cause of the shortening of the day he sees in unionism. There is undoubtedly much truth in this view, though Anglo-Saxon progress has been marked in states and districts knowing little or nothing of unionism, and not much of the short work day. In the present speed of activity in America, the welfare of workers in many industries requires a shorter day. Especially is it necessary to give working fathers and mothers more home life, and more pride in their children. Possession of these advantages by parents is most effective in saving children from idleness and crime, and in giving the rising generation the greatest development of body, mind, and character. It is easy to foresee the effect of these qualities on the nation's future, in wealth production, and in well-being of every kind. The buoyancy and efficiency of Australians is believed by many observers to be unequalled, and to be due to their long enjoyment of the eight-hour day.

The Old Socialistic Danger Under the Short Day in Public Work. In accordance with the now generally commendable desire of the public as to all sound reforms, there is a conscientious willingness among the people to grant a short day in public work. But the main force here is perhaps the desire of politicians to please working class voters. High pay, short day, and easy work in public service are probably unavoidable now, where a clamorous voter has so much influence on the government as in America and Great Britain. What has been called "the government stroke" is well known in connection with public labor. Intentional slowness in work for the London County Council is referred to in an article in *Popular Science Monthly* for April, 1902. Geoffrey Drage ("The Labor Problem") tells of

wages were at a high hourly rate, based upon large net proceeds that were secured by using all his machinery through the longest daily time yielding product to best advantage. Re-

cases in which the work of this body cost double the engineer's estimates. But where such conditions exist, to a noticeable extent, it is incorrect to call the government "a model employer." Such an employer does more than pay high wages and grant short days. More essential than his friendliness in this respect toward his men is his practice of getting habitually the highest return in product value for the money he pays out—the return well understood by both parties as bargained for in the labor contract. While he is pleased to see his men enjoying high wages, and actively promotes their welfare, his main reason for paying such wages is that he thereby attains in his product the maximum of quantity and quality, and the minimum of cost per unit. If instead of thus serving society, he simply served his own men, by giving them an easy berth, nature, by the beneficent forces of competition, would soon call him to account as an unfaithful steward (with whom faulty generosity is often a trait), and would pass his business over to other employers more capable, taking with it his men's employment. Yet it is too much to expect that public employees will work hard if they can get the same pay and more days without such effort. We who criticise might not bear such a temptation ourselves. The employer's function is neglected. Public opinion is simply permitting one form of corruption—allowing parties or officials to buy for themselves political favor from laborers with public money, for which full value in labor product is not received. With men already fed well enough for efficiency, higher pay does not bring better work unless better work is required to hold a position. Instead of conscientiously taking care of an employer too generous to be competent, the workers soon consider the high pay their due. Besides, in any exchange with a person able to bargain, who does not give as little as he can, whether of money or of work?

Government Back Pay for Overtime. The \$400 to \$1,000 allowed to many letter carriers (at their \$900 salary) for their overtime during the six years following 1888, the eight-hour law of that year not being generally enforced until after the passage in 1892 of an act requiring strict adherence to the eight-hour limit,—seems to have been little better than a political gift from the treasury, like appropriations for useless river and harbor improvements, so far as letter carriers accepted positions with the hours and salaries they started with, not relying on the overtime claim under the premature law of 1888 as part of the consideration for their services. Expectation of future allowance of overtime pay is not to be supposed in the case of many thousands affected by the back pay provided for in the Senate bill of April, 1902, intended to cover time in excess of eight hours per day, for all national employees except clerks, clear back to the eight-hour dead letter law of 1868. This law, the national supreme court decided in 1876, did not give the worker the claim of a contract, but was merely a direction to officials as to

duction of product and of income from sales, resulting in loss of interest and other fixed charges, would make him unable to pay the same hourly rate if his great factory were closed at

the hours for which labor contracts should be made, which direction was seldom followed. A number of claims for overtime pay under state eight-hour laws have not been allowed by supreme courts, the claimants having accepted their wages as full payment, without protest as to hours when payment was made.

But if **Raiding the Treasury is to be Permitted**, workingmen have a better right to a share than other classes casting fewer votes and having less need. The fact that a man gets 50 to 75 per cent more pay in a government position than he could get elsewhere (proper if his government work has such a market value) is no reason why he should not press for more when lobbying from all sides is a profitable custom. It is not a part of the worker's function to inform the employer when he is paying too much. Public opinion, which is responsible for the whole trouble by not protecting Congressmen against clamorers, can check abuses by approval of such orders as that of President Roosevelt in 1902, forbidding employees to apply to Congress for increase of pay, and requiring such applications to be made to department officials.

High Pay in Public Work to Raise Wages for All. Paying above the market rate for public work is advocated by some with the claim that it will tend to raise wages for all in the locality. This would probably be true if only those who earned the high pay were hired, as under the high pay of unionists, whose example leads non-unionists to demand more and do more, and their employers to give them better facilities for turning out work. Higher pay for public work would then be helpful also as public acknowledgment of the wage earner's right to encouragement in his effort to get all that marginal profits will admit, and in his effort to continue raising his pay by doing more. In that way he is cheerfully encouraged by the good private employer. But in public work high pay that is not earned, according to market value of the worker's product, has opposite effects. Workers are induced, not to improve but to neglect efficiency, in order to devote attention to seeking political pulls. Private wages are unaffected, it being observed that public wages are wholly different, not being based on product value. The rate of \$4 for eight hours in the government printing office many a man is receiving who is far less capable than many a man receiving not over \$3 for nine hours in the union job offices of Washington and Baltimore. And employers too, instead of frankly admitting the workman's just claims, are led rather to resist them by pointing out the faults in his demand for public wages, and to seek gain for themselves by similar scheming, in which they can usually surpass the workman, and to his loss. Mr. Pearson, in his scholarly book "National Life and Character," page 23, must have been influenced by Australian notions when he wrote in 1891: "It is felt that, sooner or later, the ideal recognized by the state will be the measure for all; partly because

the end of the eighth hour. Piece work wages would be affected likewise. Trying to do as much in eight hours as had been done under full speed in nine would overtax the workman's strength and lower the quality of his product. Doing less would deprive the employer of the profit on the extra amount previously done, and leave fixed charges as high as before. But the employer might close with the eighth hour if he could take from each man's hourly pay the loss of profit per hour of product—a loss caused by stopping so early and reducing business done, but not reducing fixed costs.

Large Investment and Uncertain Demand. To work fewer hours, therefore, below the greatest number through which speed can be maintained to the end (whether that num-

otherwise the best men will all seek employment under the state, and partly because there will be an invincible reluctance to accept less than the largest employer gives." On that principle, extending the state's functions would be an easier and more tempting way of raising wages for all than the plan outlined in the chapter on higher wages from higher prices. One can imagine how much the state's high pay, for its few favored men, would affect the \$1.25 a day of the cotton mill worker whose daily product, after deducting rent, interest, and expenses, is sold by the employer for \$1.35, or how reluctant Australians were to accept what employers could afford to pay during the hard times of 1893-97.

In a book of 1893 on the distribution of wealth a young American economist said that a government guarantee of employment to the willing (the "right to work") would secure for the lower laborers steady work and add 30 to 50 per cent to their wages, and that, as there would be no surplus labor, it would raise wages for all. He forgot that both employer and employee, when only poor land and poor business remain open, must remain idle or take small product and small wages (or must displace others), however few the idle may be, or however high the profits and wages above them.

The Cause of Labor Retarded, Not Advanced. The New York law of 1899, which added \$150,000 to the state's annual expense by reducing the day to eight hours, with daily pay unchanged, in the easy work of tending locks on the canals, "has doubtless weakened rather than strengthened the cause it was intended to aid." (New York labor report, 1900.) Such was undoubtedly the effect of the national eight-hour law of 1868, coming twenty years before product values admitted of an eight-hour day in private employment. To aid, and not hinder, the demands of the workers in private industry, high pay and short days in public work must be deserved and earned, and, by favoring conditions in the market for labor and for products, private industry must be ready for the change.

ber be nine, or less or more), workmen must take lower wages, or fail to get higher—per day, per hour, and per piece. A fortune is spent upon a factory that it may run and earn profit. In dull times long idleness is sometimes unavoidable. Good demand for product is often short-lived and uncertain. Employers cannot be censured for desiring to make hay while the sun shines. Sometimes a loss more serious than that of the fixed charges specified above is depreciation of value of machinery by reason of the invention of better.¹ A new mill must quickly be made to serve its purpose, through the longest profitable day, or it may soon be out of style, and unfit to compete with others. Moreover, the common laborers in a force of men could probably increase their speed but little without injury to health, whether the skilled workers could increase theirs considerably or not. To slow laborers a long day, in their grade of work, is not harmful, and is necessary for earning much in wages. With the employer here considered, nothing can be taken from profits. His are already the lowest for which he would continue in business; while it would be impossible, by short day laws, by union demand, or otherwise, to lower marginal profits in all the places and occupations from which he might choose. To add to selling price, in order to raise wages per hour, would diminish sales and displace men, and would be made impracticable by refusal of some employers to enter such an agreement. Besides, inflow of new men would lower the wages if they were higher for the skill involved than the average in other occupations.

How Shortening the Day Might Employ Idle Men. Moreover, in addition to higher cost of production in the particulars just explained, there lies in the matter of machinery one seri-

¹**Machinery Soon Becomes Antiquated.** The unwillingness of British manufacturers to displace out-of-date machinery with the newest and best, has been one cause of their falling behind their American competitors. This fact was the main topic of discussion at the meeting in 1901 of the British Iron and Steel Institute. In 1893 M. Levasseur saw in a Minneapolis saw mill a system of handling logs which seemed to be highly efficient, but was told that though it was only two years old it would soon have to be displaced by a better system already in use. The machinery of an abandoned saw mill near by, only seven years old, was said to be too antiquated to use successfully. ("The American Workingman," 62.)

ous defect (others are considered later) in the hope that a shorter day would divide employment with men now idle. During the eight hours no more men could work unless the employer enlarged his factory and bought more machinery. For this he should have interest on more capital, and profit on more risk,¹ while the product of the enlarged factory in eight hours would be no greater than that of the smaller factory in nine hours. This extra interest and profit would leave a smaller sum for wages, while there would be more men to divide it among, necessitating a reduction of the hourly and daily earnings of the old employees to provide work for the new. New men could not be put to work for the ninth and tenth hours alone, since they would scarcely have reached their full speed when quitting time came. One set of men might work effectively the first half day of five or six hours, and another set the second half day; but no one then would get in a full day. The old employees would give up a part of their work and wages to help those who had been idle.²

¹Driving Out Weak Employers Unable to Bear Higher Wage Cost. Hence, under a shortening of the day the enlarged demand for capital in machinery would cause interest rates to rise rather than to fall as claimed; and the same would be true of profits, since there would be an increase of the risk and difficulty of carrying on business. Though there were no idle men to hire, better machinery and better management would be required. Driving out the weaker employers in an industry, and throwing all its business to well managed concerns earning profits large enough to bear the higher wage cost without raising prices, could be brought about only by so unionizing all sections of workers that men in the industry considered might securely enjoy short days and high pay, while equally capable men, refusing to enter that industry, contented themselves with the long days and low pay of other occupations. Of course, sensible men would endure no such sacrifice. In any grade of capacity, wages must rise for all together (pages 126, 351). The quickest method of securing such a rise for a whole country would be to stop all kinds of poor business by emigration of those for whom positions at good wages were lacking.

²This way of running short time with full force, instead of full time with short force, is common in dull seasons. It is the better way for the employees as a class, taking away the support of none; and it would seem to be better for the employer also, involving no wasteful work by tired men, and holding the force together for a sudden inflow of orders, or for better demand later on. In a few cases this plan, or the giving of each man work for a part of the week, is arranged for by the union in its agreement with

A Possible Method for a Large Shortening of the Day.

Yet in many trades the remedy of the future for hardness of life caused by a long work day may possibly be this arrangement of two shifts working six to eight hours each. The capital in machinery would then be employed to the utmost, not only in time, as in the long days of eighty years ago, but also in efficiency. None of the work would be lowered in quantity or quality by weariness, but continually the workers would be at their best, and the largest proportion of them would become able to operate complex machinery and to engage in difficult processes. Such use of machinery, wearing it out quickly to be replaced with better, would lessen the amount of capital needed in any one industry, thus benefiting workers and consumers by lowering interest, or by promoting production of new things not previously used. Each worker in the industry concerned, to raise his pay to something near the present long-day rates, could then develop his highest speed, and by recreation in his ample time for rest might avoid injury to his health. It is pleasant to think of a society in which active people enjoy plenty of time. The earnings of a couple of hours given up from wages seem a trifle when compared with the benefits of the change. What is money good for but to buy benefits and enjoyments? And for well paid men how else could the wages given up buy so much? Dispensable goods and chattels are nothing compared with leisure hours of buoyant strength. "There is no wealth but life."

Where Employers Might Willingly Coöperate. A movement for a considerably shorter work day on this plan might be favorably received by an employer where enough men could be hired for the two shifts, and where the change did not interrupt his business. By this arrangement the workers would not only ask no more pay per hour than their product provided an income for, but they would put the employer in position to utilize his capital more fully than before, and to deliver goods with unprecedented promptness. Below the point at which the shortening of the day begins to diminish product—it is

local employers. Men are not then tempted by need to accept work as non-unionists, but they tend to lose self-reliance and to depend unduly on the union.

allowable to repeat—the only ways of shortening it further are to accept less daily pay, or to refrain from demanding an increase per day that might otherwise have been secured. A change to nine hours' work for ten hours' pay may be practicable in the latter case. That is now the most popular way of securing a raise of wages per hour. Only in flush times can profits spare anything to add to wages without stopping marginal production, and thus placing on wages the depressing influence arising from presence of idle men. Generally, capitalists watching for chances to enlarge old or start new businesses keep marginal profits near the lowest point.¹

'Throwing on Interest and Profits the Extra Cost of Production under a Shorter Day. Mr. Sidney Webb says ("Problems of Industry," 128) that employers oppose an eight-hour day because they expect it to raise wages per unit of product, by diminishing output per worker, and by absorbing the idle, whose presence keeps down union demands; that wages thus raised in all trades would be the same as a tax on net profits, which could not be shifted by raising prices, since those prices yielding most profit before the tax was incurred would still yield the largest balance afterward. That to avoid, under this general increase of labor cost, a diminution of profits, transfer of capital from producing things requiring much labor would proceed far enough to raise their prices from scarcity, and would increase production and lower prices of things requiring less labor; there would be a shifting of demand, but a utilization of as much labor as before, with perhaps a production of as large a total quantity of all goods. That if total product proved smaller, the loss would fall on interest and profits, while workers would get as much as before, and from fewer hours of labor. That Sidgwick and Marshall agree that capital would be saved as at present though interest were much lower, as proved by the experience of savings banks. It is by an eight-hour law for Great Britain that the short day discussed is thought of as established. Reasons are given to show that foreign trade would become adjusted to changes of production, and that capital would not be driven abroad, its opportunities at home still remaining the best. But the scheme is fanciful. It is highly improbable that under any possible unionism numbers could gain such power over mind and money as materially to change a country's production and consumption of goods; or that in the present openness of all lands to industry, capital would fail to avoid in some way any considerable tax; or that by securing employment for all by shortening the day unionism would have even as much power as it now has when all are employed under a naturally brisk demand.

The Matter-of-Fact View seems to be that among any people sufficiently free and enlightened to seek the benefits desired from an eight-hour law, conflicting interests of different trades and localities would make an approach

Shortening the Day So Far Has Left Profits Undisturbed.

By diminishing the worker's fatigue, and by raising his efficiency through use of improved machinery, the increase of his product has balanced both the successive shortening of

to universal enforcement impossible; and that where reduction of hours lessened output the employer would lessen total wages accordingly, if not by lowering the hourly rate, at least by diminishing the number of hours hired. By the latter method, which is practically incontestable short of outright socialism, he would limit his product to that quantity on which higher labor cost could be balanced by higher price. No less effectively than with prices of ordinary commodities, do supply and demand fix the rates of interest and of profit. To but a small extent, and perhaps to no extent at all not clearly just, can net interest or net profit be taken by law without causing somewhere an overbalancing loss, both to the public and to the wage earners. However, Mr. Webb simply discusses an eight-hour law's possibilities. He expects the eight-hour day to come in suitable trades separately, and to cause little or no diminution of product. Some of the best British unions indicate their knowledge of natural forces by demanding eight hours *regardless of the effect on wages*. The Australian building trades willingly accepted a reduction of pay when their day was shortened to eight hours in 1856. Raising wages per quantity of work is probably no easier by shortening the day than otherwise. Work proving insufficiently profitable is soon dropped. The American cigar makers gained their eight-hour day so early and so successfully because under piece work the reduction of output was balanced by reduction of daily wages. Later they succeeded in having their piece rates increased. Likewise the granite cutters, in their change from 10 hours to 9, and later in their change from 9 hours to 8, accepted 25c. less in daily pay, and each time secured the 25c. again at the end of the year. Both these trades, it is to be noticed, used then little or no machinery. Most of the fifty or sixty Australian trades submitted to reduction of pay to obtain the eight-hour day.

A Satisfactory Reduction of Hours was that in the Minneapolis flour mills in 1902, when wages were being raised in many industries. Demands for a change from 12 to 8 hours were denied, in view of the competition of mills elsewhere running 12 hours; but the men accepted the employers' offer to pay \$2.80 for 8 hours to 464 millers then receiving \$3 for 12 hours, 120 extra millers being required. The pay of some of the other workers was reduced accordingly, but without need for extra men. The total increase of wages was about \$50,000 a year. (*Outlook*, Oct. 11.) In 1903 the Pullman Company, whose employees are now mainly in unions, granted a change from 10 hours to 9, at the same pay, raising total wages per year about \$900,000. When by the Utah law the day in mining and smelting was changed to 8 from 10 hours (perhaps about 9 net), pay per day was reduced 23 per cent, the number of men was increased 30 per cent, and labor cost rose 10 per cent. (*Indus. Com.* XV. 768.)

the day, at least down to ten hours, and the repeated rise of his daily wages. In piece work, under a rate unchanged, shortening the day lowers wages accordingly, beyond the effect of intenser effort by the operative. In the shortening of the day to eight hours in the building trades in large cities, employers have preserved their profits by paying by the hour, by requiring faster work, by hiring none but efficient men, and perhaps most of all by raising prices. In the case of buildings, not to be made elsewhere and shipped in, price is raised easily, and in a city of rapid growth the raising of prices may not diminish the amount of building sufficiently to leave men idle in times of activity.¹ Work on railway trains is adjusted to short time per week, with fairness to both parties, in the matter of wages, by the system of payment per mile or per trip. Perhaps in all the trades shortening the day from ten to nine hours, little or no diminution of product has been noticed. Whether there is some diminution may not be after all a serious matter to the employer generally, since if he cannot preserve his profits by raising prices, or by lowering wages, he can do so effectively by taking up the slack in his methods, by hiring better men, by driving them a little faster,² and not by undertaking the less profitable work. In the latter particular, though he

¹**The Cost of Building** in New York city was estimated in 1897 to have risen forty per cent during the preceding fifteen years. (Levasseur, 131.) Since 1897 the cost of building in Michigan has risen fully a third, but more by reason of higher cost of materials than of higher wages. No doubt there has been an equal rise over the country generally. Some carpenters in Chicago said that after the shortening of the day they had to work much harder than before. (Spahr, 178.) But some contractors said the speed of work had not increased. (Levasseur, 129.) If London carpenters and bricklayers, as commonly believed, do purposely very little work per hour, to make jobs for more men, the increased cost of building may be a reason why the London working class are so poorly housed. The high rents, and brisk demand for houses, it would seem, ought to bring a supply from England's immense fund of idle or poorly invested capital.

²After the change from 10 hours to 8 in Montana mining, the men were required to use their own time, instead of the company's, for going in and coming out of the mine, a process occupying nearly an hour. In granting a union demand for an increase of a dollar per week, the employer might get back the dollar, and get another besides, by requiring a record of time spent on each piece of work—a change that, without the union demand, he would hesitate to make.

does not maintain his aggregate of business and of profit, he does maintain the profit rate. So far as faster and steadier work is secured, the burden of maintaining a shortening of the day falls on the workers. So far as methods are improved and better machinery adopted, the burden falls on the employer. Generally a share is thus borne by each, as in the case of raising wages by union demand (page 298), and in both cases there is with each side a strong inducement for progress. Hence, as a rule, the shorter the day and the higher the pay, the greater is each side's efficiency, and the better is the outfit of machinery. When by extension of the British factory law about eight years ago the sweated laundry women of London, too poor and ignorant to save themselves, were rescued from toil of inhuman length per day, machinery was at once put in that kept prices and profits unchanged. This has repeatedly been the effect of laws against child labor (page 188). Aside from the building trades and a few others, which possess a local monopoly, neither shortening of the day nor raising of wages seems to have thrown a noticeable burden on the public in higher prices. As a competitor in the world market for cotton goods, England, having the shortest days, fears Massachusetts most, coming next in length of day, and having highest wages of all; and fears Russia least, having the longest day and the lowest wages.

But People Would Have Fewer Goods to Enjoy if shortening of the day were not balanced by increase of working speed or of steadiness. This would be true whatever the improvement of machinery, if the improvement would have come under the longer day also. Considering the need and desire of most people for additional supplies, and the smallness of a worker's product value in such occupations as farming and textile manufacturing—these occupations employing in the aggregate the bulk of the people—and considering the probability that to most of these people increased speed would be more harmful to health than a moderately long day,—it seems likely that shortening of the day below nine or ten hours will long be confined to occupations carried on in a high key of skill or intensity, or in which labor's product value is so large as still to afford good wages after reduction of output. People

in other occupations, perhaps, would rather work long days as at present than to get along with fewer goods. Shortening of the day for these must come from inventions enabling them to enlarge their product, from the same enlargement through increase of their efficiency for their own occupation, and from openings for them in new occupations of a somewhat higher grade. Yet everywhere, perhaps, determined effort should be made to shorten the day of steady work to a limit not over ten hours. In such work more hours will yield very rarely a larger result in the long run.

Shortening of the Day Will Come Gradually in Trades Suited to It. So far therefore as further shortening of the day takes place, it will come about gradually as heretofore, in those trades suited to it, mainly by desire and demand of the workers, but largely by realization among employers that natural conditions make a shorter day better for all concerned.¹ It was nature that shortened the school day to six hours. A longer day, it was found, spent the nerve force of teachers and pupils, and made the desired results of instruction positively smaller. The customary short day of bankers and professional men, working under mental strain, was found by all concerned to yield best results. A shift of only four hours on duty, followed by eight hours off, is willingly conceded to firemen on steamships, such an arrangement being found necessary to keep up steam and to save men from breaking down. For the same reason night work on daily papers was long ago limited to about seven hours. Whether steel works are run on two shifts or three will depend likewise on the desire of the men and on comparative results; so will adoption of Professor Marshall's suggestion of two eight-hour shifts in single shift industries. The short day in building trades has been successful, not only because of their local monopoly, but also because it spreads over a longer time an amount of work that seldom lasts all the year. Repeated shortening of the factory

¹President Gompers, of the American Federation of Labor, says that "the Master Builders' Association is on record testifying to the mutual benefit of the eight-hour day, and urging its general adoption. Employers of labor who have the eight-hour day all bear testimony to the general good resulting from the change." Montana mine managers soon found the short day best.

day has come because it was found that strength was saved, intelligence promoted, and that product and wages were even increased, though there has generally been some diminution of output for a while at first.

Nature Will Prevent It Where It Would Result in Harm.

But the case will be different when reduction of hours is carried so low as to begin to make product smaller, and hence to lower daily wages, beyond the hidden lowering of yearly wages that doubtless has already taken place in short-day trades through discontinuance of the less profitable kinds of work. Until further cheapening of production, accompanied by mental and moral elevation, leads people at low wages to prefer more leisure to more goods, they themselves will object to shortening of the day.¹ Among people fairly well supplied, additional leisure well spent would doubtless be more beneficial, to them and to society, than additional goods, especially if care were taken during the short day to guard against "the pace that kills."² Therefore the general

¹In the change by law of women's factory time from eleven to ten hours in several New England states about twenty years ago, the operatives were not unanimous in demanding it, many being doubtful as to whether product and wages (at piece work) could be maintained. In Massachusetts there seemed to be no loss. She was alone in limiting the day to ten hours from 1874 until after 1882. (F. A. Walker, *Atlantic Monthly*, June, 1890.)

²**A Waste of Life by Working Too Fast** is probably taking place in America now, and to a serious extent. In many kinds of work a man past forty or forty-five is unable to keep up. From some parts of the work in Jewish tailor shops in New York, women have been driven out by inability to bear the task system. Whether by a speed too fast, or by a day too long, the closing of a man's period of efficiency at forty-five, instead of fifty-five or sixty, diminishes not only his aggregate of satisfaction from life, but also his aggregate product, lessening his own and society's increase of wealth. (Spahr, 155.) The greater moderation of life in Europe is often mentioned favorably. For a time we Americans may win the whole world of achievement, but waste the nation's life in the process, and hence lessen results for the long run. Extremes either way must be avoided, whether of eagerness or of deliberation. The demand of workmen for the highest wages and the fewest hours adds to intensity of effort, in their necessity of earning their wages in order to retain them, and in the employer's necessity of keeping down labor cost with skillful management. Especially is a shorter day, together with much additional regulation by law, necessary to avoid the present waste of life in unhealthful and dangerous trades. Statistics prove

practice now among workingmen of demanding a shortening of the day where conditions are favorable, instead of higher daily wages, is to be commended. In this way they choose more leisure, not more goods, as a share in the distribution of the benefits of improved production. In the present keenness of all classes to perceive loss and gain, and in the present prevention of high wage monopoly by easy movement of labor from place to place and from trade to trade, nature guarantees that shortening of the work day to a harmful extent will not come to continue.

The Most Popular Argument for Shortening the Workday, one which is generally urged by labor leaders, is that shortening the day will employ the idle, will make surplus labor scarce, and hence will enable unions to enforce demands for higher wages. It is said that in a trade of 150,000 men a change from 10 to 9 hours would make jobs for 15,000 more; that with an employer having 1,000 hours of work a change from 100 men at 10 hours to 125 at 8 hours would increase demand for labor 25 per cent. President Walker asked, "Why not work but 1 hour a day and increase labor demand 900 per cent?"¹ The extra demand would be for more men, not for more labor. The employer would still have only the same 1,000 hours for which to hire. His product, whether produced by few or many, has a value he cannot change, fixed by demand and supply over a field comprising perhaps the whole world. By this value wages are held inflexibly, and it is fixed by what buyers think about it, not by what the seller claims they ought to think. They are also producers and sellers, having the same difficulties he has, and hence are not to be asked for help. Though every worker in the country stood ready to strike, not only will no man not partly supported by charity ever get more pay for making an article than it will sell for, but he will not

that in Great Britain the death rate per thousand among men is nearly twice as great in the industrial as in the farming districts. In the pottery trade the death rate is over three times that of clergymen and gardeners.

¹F. A. Walker, *Atlantic Monthly*, June, 1890. W. Macarthur, *The Forum*, July, 1901. This argument is further treated at the beginning of the next chapter.

long get either of the shares falling by current rates to rent, interest, and profit. If places are to be made for 15,000 new men, the 150,000 (but not the 15,000) must do one-tenth less work, and the wages of the 150,000 must fall unless the marginal employer's profits were already sufficient to admit of a rise of wages per unit of product.

To Improve the Employer's Market and Raise Prices.

Hence, recognizing that the employer's profits cannot be taken in wages if he is to continue in business, and that even by monopolistic action through a trust of all employers in a trade its prices cannot be arbitrarily raised without narrowing demand for its goods and throwing men out of work,—those desiring to shorten the day in order to employ the idle include in their argument the standard of living theory of wages. The one or two hours of extra leisure given to the worker by a change to an eight-hour day will awaken in him and his family, it is said, desires for many additional comforts—books, music, better clothes, better homes, etc., with which the leisure may be occupied—and hence will increase demand for these, for the labor to make them, for the machines and materials their making requires, and so on until the whole field is included in increasing demand, in rising prices and rising wages, in improving plants to produce on the largest scale at lowest cost, and in a general prosperity unprecedented.¹ The fallacy here is similar to that explained in the chapter on higher wages from higher prices. The plan is to give everybody more goods

¹**Great Expectations from Shortening the Day.** The American writer who has been the champion of the eight-hour movement, and of the standard of living theory of wages (Professor George Gunton), wrote about fifteen years ago that as a direct and immediate effect the general adoption of an eight-hour day in the manual trades of this country, except domestic and farm labor, would absorb all the unemployed in the United States, Great Britain, France, and Germany, even without expansion of market, making employment for 3,552,059 more adults. (Quoted in Rae's "Eight Hours for Work.") The computation was probably correct for a division of employment *and of wages*, as in the practice among regular employees on daily papers of sharing work and wages for a day each week with a substitute, and of sharing his unpaid idleness. But the expectation among workers in the eight-hour movement is that from scarcity of men wages will even be raised. Not many of them are ready for a shorter day at wages positively lowered, and most of these expect the rate to be restored or raised later on.

by producing fewer of them. The effect of an extra hour of leisure, in elevating the consumption of 150,000 machinists, with their money wages unchanged, could scarcely make in five years a noticeable increase of demand for machinery—no increase at all unless the higher consumption was of goods whose making required more machinery than did the goods of the lower. The employer would do well if he kept his shop running without his profits for five weeks. A commodity is produced for those having purchasing power already when it is offered for sale, not for those who may have purchasing power in a few years if certain social changes hoped for come to pass. A fall of wages—from reduction of output per man with no rise of prices—would overbalance the extra leisure and make consumption by the 150,000 smaller, to be raised no higher than the previous level by the added consumption of the 15,000 who had been idle, since both groups together would have no more money to spend than the first group alone had before. A sure increase of consumptive demand could come only through getting more by the 165,000 to spend. They—at least with the help of their wives—could contrive to spend it all, whether they had more leisure or not. Instead of needing extra opportunity in which to study out new wants, most people are unable to hold their wants back to the level of their incomes, which are the vital factor. By return of better times, as in 1898, more employment and more pay could be obtained by reason of naturally increasing demand and rising prices, but not without such good times except by turning out more product per man. In the latter case there would be no places for the idle, whether the greater output came in ten hours, or by faster speed in nine, and whether or not there were ready in the shops plenty of capital in machinery and materials for extra men to work with.

Wages and the Standard of Living. In China wages are lowest of all, it is said, because the Chinaman can live on least; and so on, passing up the scale of wages to Russia, Germany, England, and America, more is paid in each country than in the next below because the worker's standard of living is higher, and because he must have his usual comforts or he will not work. Hovel life makes hovel wages. Of course,

in this theory cause is put in place of effect. The crowded Chinese live on little because they cannot get more, as millions of them have starved to death because they could get nothing, which is surely for none of them a standard of living. Yet here, as elsewhere, effect in turn influences cause. Living on barely enough to support life weakens body and stifles hope, degrading a people, and disabling them for desiring and trying to earn more; while as a nation's living improves, with comforts and leisure, its people grow in efficiency of body and mind, desiring and producing more and more goods, and rising in civilization.¹

The Vital Factors in the Problem. But whatever the advantages of a high standard of living, drawing out best effort, a man's welfare still depends upon the product he gets. The farmer whose income for a year has been cut down half by drought can send no grievance committee, or make no demands, on the sanction that with his standard of comfort as a self-respecting citizen he and his family will not put up with such a living. He can only ask of the winds, which sometimes strew the ground with fragments of his property. The case is the same with men hired at wages. As many a one has experienced, the fact that a man's standard requires \$2 a day is no bar to a drop of his income to nothing when hard times take away the market and profits of his employer. The showing made by labor speakers of rise of daily wages after shortening of the day would doubtless be far less favorable if they compared earnings per year. Wages depend most vitally

¹"The large production consequent upon the increased consumption of wealth by the masses makes all classes actually richer." (Gunton.) The word *consequent* here is correct in the effect of increased consumption, when wise, to increase strength, intelligence, and enterprise. But of course, apart from increase of income due to a better selling of unchanged labor or products, one's production must increase first to provide something extra to consume. Production waits on what consumption promises to be—on market demand; but far more literally does consumption wait until what one consumes has first been made and brought into his possession.

Wages and Cost of Producing Labor. Of equally desirable men taken to a distant mine it would be true, as Mr. Gunton teaches, that the wages required to meet the demands of the needed worker least willing to go would be the cost of producing the labor, and would have to be paid to the others, though willing to go for less. But ordinarily the labor power is already

upon the product value the worker creates, above cost of material and other expenses. When the railway fireman passes to the right side of the cab as engineer he gets a dollar or two more per day than before, not because the engineer wants or needs more, but because his work is worth more in the labor market, his ability being scarcer in proportion to demand for it. The German doubles his wages by coming to America, where cheap land, abundant raw materials, and better machinery (not scarcity to raise prices and wages) double his labor's product value. The farm laborer getting \$12 a month and board in the mountain counties of Pennsylvania gets \$20 and board, and by working no harder, when he goes to the rich prairies of Nebraska. In each case the desire, and usually the effort, for more pay are as strong before the moving as afterward. The German's need for it at home is much greater, for living is more expensive there than in America.¹ The standard

produced and for sale, without access to a better market, and hence, above a bare subsistence, is not affected by cost of production but only by supply and demand. Mr. McNeill says, "Nothing short of a revolution can suddenly change their habits and ways of living." A change is very easy when it no longer pays the employer to hire them, as it is when the farmer's crop fails. To attempt a revolution would close more factories, and in a scramble to divide what little food was on hand it would not be the workers that fared best.

¹**Where the Standard of Living is Important.** It is to prevent a *fall* of wages that the standard of living is important. Capable employers do not try to preserve profits by lowering wages if profits can be preserved in any other way. Being deprived of their usual supply of comforts leads men to work discontentedly and inefficiently, and to seek other employment. The standard of living has, to a less extent, the same influence as a factor in forcing a rise of money wages when, by reason of a general rise in prices, more money is required to buy a family's usual supply of commodities. This was one reason for many cases of advance in wages during 1901-3, especially the advance of about ten per cent in 1902 by many railway companies. Yet generally the main reason is that an advance is justified by prices and profits in the trade considered. Watchful workmen demand all the pay that marginal profits can bear, whether their standard of living is threatened or not. When an industry's profits are unfavorable there can be no rise in its wages, whatever the rise in costs of living. This is momentarily true when in a panic supplies begin to run short, as would have been the case if the American monetary standard of value had dropped down by half, as was feared, from the gold to the silver basis, by reason of the government's inability in 1893 or its inability or refusal in 1896 (if Mr. Bryan had been elected),

of living has little to do with the matter, except to lead one to desire and strive for better things, a part of which striving is to demand wages as high as trade conditions will permit. These various conditions combined are what fix the wage rate, together with the worker's efficiency. Change of his efficiency—doing more or better work—or going to another place, or into another trade, change conditions for him.¹ Whenever by

to hold the silver up to the gold value by exchanging gold for it. Prices would have risen greatly, but the closing of factories from uncertainty would have brought wages lower.

'How Far the Motto is True.

“Whether you work by the piece, or work by the day,
Decreasing the hours increases the pay.”

The assertion in these favorite lines of American unionism is true of pay per day so far as decreasing the hours, by lessening fatigue and promoting efficiency, increases the laborer's daily output, as was the case in shortening the twelve-hour factory day. It might be true of pay per hour, though the day were shortened by half, if absence of fatigue from labor were not then outweighed by distracting effects of too much leisure. This does not mean, as was formerly claimed, that long days at work are necessary to keep men from drinking and from other temptations of idleness, but that a man devoting but half the day to his work might have his mind set mainly on other things. By nature it seems that one's work or business must always remain his chief temporal concern, if it is to amount to much. There are no indications that the command, “Six days shalt thou labor,” will ever lack enforcement; or that it will ever mean less than *And use most of thy strength*, despite the socialistic dream of an elysium with three hours for work and all the remainder for play. Increase of a worker's product value must usually be in quantity and quality of the article he makes. Rise of selling price above the ordinary level is balanced by its fall below at other times. Benefit from permanent rise of a commodity's price would soon fall in rent to owners of the source of limited supply. Consumers would get less of it for what they had to exchange, fewer men would be employed to produce it, and those retained would get no more pay than the average for their grade in other occupations.

The Drudge Who Works Longest is Paid Least because so many offer his grade of service that its value falls until to earn even the low pay many hours are required. Disagreeableness or unhealthfulness of work can raise the pay for it only by making scarcer those who apply for positions. By union demand, better pay may be obtained for most of the work done in such an occupation, the remainder being discontinued, and the margin thus raised. The men left idle, being the least desirable, cannot displace the others by offering to accept less pay, and may do better in other kinds of work. Fortunately, many of those who make no effort to escape from de-

shortening the day the daily product of men's labor is diminished, their daily pay will be smaller, however scarce and well organized the workers may be. And diminution of product

grading drudgery are being driven from it by its transfer to machinery. That the pay is low for the most necessary labor, such as farm work and washing, while it is high for the work of producing luxuries, such as designing rich costumes, is surely not to be complained of. If farm laborers had to be paid like engravers of ornamental stone, what would a common dinner cost? Nature has arranged this by fitting only for common labor a thousand where artistic talent is given to one—by making necessities so plentiful that the product of a worker growing them is worth but little.

Doing Least and Getting Most. The head superintendent, who begins work latest and stops earliest, is not paid most because he works fewest hours, but because his grade of ability is so useful and scarce that both the high pay and the short day are included in its market value. Such is the case too with the many office employees who work short days and enjoy such other privileges as vacations without stoppage of pay, but who, far more than the worker docked for lost time, must bear the burden of giving satisfactory results—a more serious matter than putting in hours. To but a slight extent, too, are the office men less subject than the common workers to market rates of pay—are not so few in business as to escape such a rate, which anyhow would be an advantage as often as otherwise; nor by getting more than other employers would pay them are they more likely than common workers to gain unduly. The latter are quickly "fired," but they are just as quickly hired. So far as one's salary is based on his needs for support of his social station (the case to some extent with a few clergymen and public officials), it is paid, not for services, but for the substantial advantage of observing proprieties—of securing for a city or a church creditable representation. Also, in many positions of trust and emolument, as to which the methods of election or appointment do not admit of bargaining, the salary is adjusted to needs in being placed high enough to secure the incumbent's best service, by relieving him from the necessity of devoting thought to care of personal affairs. To consider such needs, and to consider the effect of higher pay to secure higher ability, may be wise in public employment of any grade, and also in private industry (page 145). These considerations, together with the additional one of securing fidelity by removing temptation and by quickening the sense of honor, are prominent in the case of book-keepers and cashiers, who may be obtained at monthly salaries ranging from \$16 to \$500.

But the Principle of Supply and Demand is Present in all these cases, Mr. Hobson will notice. With salaries here, as with wages in general, a certain amount is paid because what is wanted cannot be obtained for less (the want including sometimes gratification of a desire to appear liberal). The difference is that the things bought are less open to view than is the ordinary mechanic's labor. Also, for basing the physician's or lawyer's

will not only lower wages in the one industry, but by narrowing market, and by checking accumulation of capital, it will check the building of factories to employ other men, and will

fee on ability to pay, as well as on importance of the service, there usually exists, behind the apparent kindness, the solid reason that price must be made satisfactory in order to collect at all, and to secure the person's custom again. Such lowering of price to ability to pay is common in many occupations, often being forced also by the knowledge that if one does not do so a competitor will.

The Living Wage Again. Socialistic writers refer to the physician's or lawyer's code of charges as being based on what is proper for support in his station—a living wage. In America this code, varying according to the professional man's ability and to his customer's money, differs from other price lists mainly in imagination. Subject none the less to supply and demand is the British barrister's fee, fixed in minimum by law and entered publicly with other costs of suit. No more of his services are bought than to the demanding buyers are worth the price. Of course so far as a rate set as a living wage is paid further than supply and demand for labor, and for the product, would otherwise carry it, it is a tax for the benefit of those receiving it, falling on taxpayers in the case of government employees, and would fall on consumers in the case of a monopoly that raised prices to balance it, like the hard coal industry, many of whose employees seemed in 1902 to have given up readiness to take their labor where it would bring most, and to be relying on an appeal to the public for a living wage. The trouble is that under exchange such a tax for private benefit is only for a few. The socialistic state, while it lasted, might pay a fixed wage to all if it first gathered a store to draw on when product fell short.

Objection to Being Subject to Market Pay indicates lack of ability to do and find work as well as others, or to sell one's labor for its full price. It is allowable to appeal for the help of public opinion in securing more pay (though the rate be high already, as with skilled men striking) on the ground that the demand is justified by the market for the kind of labor and its product; or if present rate is low, on the ground that the market will be made to justify it by the balancing of higher pay with better work from the men and better management from the employer. But the ground that more pay is required for a decent living—the living wage idea—cannot rightly, or with hope of success from it, be urged unless either the first or the second ground exists and the workers are in a bad plight from which they cannot escape unaided. Whatever their plight, to ask for more than by changing their work and changing the industry the supply and demand conditions of both the labor and product market can be made to justify (as with the London dockers in 1889), would be to ask a charity dole, which could not long be collected except in work for the government (hardly from a monopoly), and would then be little less degrading than other doles.

Pleading Poverty, as was done (and overdone the commission said)

thus diminish employment and output of supplies for society as a whole.

Demand Consists Not of Wants, But of Wants Backed by Goods to Exchange. The central truth here is that demand for labor in any line arises less from people's need or desire for its product than from their possession of other commodities or services *to exchange*. A workman's leisure and desires are nothing unless he has the wherewithal. A farmer does not raise wheat because others are hungry; he has enough to do in taking care of himself. He raises wheat because others have something to buy with, and thus afford him means of gain. In a plan by the men of one trade to work fewer hours and divide up employment, in order to make idle men scarce and hold back their labor for monopoly wages, it

by the anthracite miners in 1902, may be allowable to prove that the annual wages are below the market rate—below the pay of other workers of the same grade; but urging poverty in a plea for a living wage, apart from the rate set by supply and demand in the market, injures the case when the workers, like the miners mentioned, have been getting more than do half of the country's population, the average wage in manufacturing being \$435 a year, and the average for all common labor being not over \$250. Much was said before the anthracite coal commission to the effect that proper support of a family required about \$600, as if, by pressure of public opinion and unionism, the mine operators should pay such a wage and tax it on consumers in monopoly price, and equally good workers earning far less outside should not take the jobs of the favored few thus subsidized. It is well for public opinion to assist miners to get all their service is worth, under market prices for labor (page 153), but it is with those worst off that charity must begin, if we are to come to that, and with those all that charity can do is to assist them to do work worth more in the market, or to sell their labor where its price is higher. Under civilization the only way to get rid of the law of supply and demand is to make paupers of those for whom it is set aside. Even in the tribal family, and in the primitive village, this law ruled. In mutual protection the family and the son each paid for what was received.

The living wage idea has entered minds whose thinking is usually sound. "The worker has at all times the undoubted right to a sufficient wage, when honestly earned and judiciously expended, to support his family in conformity with national standards of living." (M. Cokely.) He has a right to all he earns, no matter what he does with it, and no matter how much it is; but he has no right to any more, no matter how greatly his family needs it. What the needy worker has is a right to some of the first public assistance toward being enabled to get the average living by earning it.

would be necessary for them (even though they could prevent inflow of new men to get their high pay) that other trades, by working more hours or using better machinery, turned out a larger product than before, if all of this one trade's previous product was to be carried off at the higher prices. The demand for the product of one trade consists of purchasing power in the product of men in other trades. Use of money obscures but does not alter the fact that the exchange is of goods for goods. Excepting cases of production beyond capacity of the market (discussed in the next chapter), largest return to one man for his labor depends not only on largest quantity of his own product, but also on largest quantity of all other men's products, that they may have the most with which to buy of him, increasing demand for his goods and raising their price, and that what he buys of them may be cheapest and most plentiful. It is when crops and prices are good in the West that farmers buy largely of manufacturers; when crops or prices fail they buy little and pay slowly. All the goods produced for sale are demand—purchasing power—in the hands of sellers, and the same goods are the supply for buyers, who in the aggregate are the same people as the sellers. Adoption at one time of an eight-hour day, for every wage worker in America, whatever desires might arise from leisure, would diminish, where output was lessened, the demand from each trade for the goods of all other trades, and hence would diminish the *total* of wages paid, whether the hourly rate fell or rose. In this it is assumed that there would not be enough unemployed men to make the total of hours worked as great as before. The only ways to get more are to produce more or sell higher. For wage workers a shortening of the day below the length of greatest output has the opposite of both these effects.

An Eight Hour Day by Law, for many or all trades, advocated for twenty years or more by the socialists and labor unions of the Continent, has also been urged since 1889, with some power at times, by many labor unions in Great Britain. The need for regulating labor is greater there, in the crowded condition of industry, than in any other country. Old customs of seeing that work people were provided for, still prevailing

to a large extent on the Continent, broke down long ago in Great Britain, under the British employer's necessity of selling abroad against world competition; and the modern business practice arose of following gain to the utmost, leaving the workers when idle to their own self-help in unionism, and to their modern ability to get new employment. The British ten-hour law of 1847, changed at different times, and now placing the limit at fifty-six hours per week, is for women and young persons in factories; but since their stopping prevents the entire mill from running longer, the law in effect limits the day for men operatives also. The main grounds for such laws—namely, that dependent women getting daily bread by daily toil cannot refuse to work an unreasonably long day, when required to do so by the employer, and that to avoid being undersold the best employers must work their help as long as do the worst—have lately been urged in favor of extending the British factory laws to the scores of unregulated and sweated trades, and in favor of enacting an eight-hour or nine-hour law to be applied to both women and men in any trade whose workers choose it by ballot, and for which investigation by the Board of Trade shows it to be suitable. This is called the *trade option* plan for an eight-hour law. The agitation reached its height in 1893-94.

Eight-hour Laws Already in Force in Some States. The many American legislatures and city councils that by law have made eight hours the day for *public* work are simply exercising their right as one party in the labor contract involved, being restricted only by constitutional requirements as to spending public money. It is for them that the work is done. The factory laws also, in many states, limiting the hours of women and children, have almost universally prevailed as constitutional, because in the weakness of these persons they are to some extent the wards of the state, needing legal protection for their own and the public welfare. But a wide departure from the rule was made in Utah's law of 1896, which prohibits grown men from working more¹ than eight

¹**Constitutionality of an Eight-Hour Law for Men.** By this law it is enacted that the time of work "shall be eight hours per day, except in cases of emergency, where life or property is in imminent danger;" and that "any

hours a day in mines or smelters, even though a longer day may be desired by both employer and employee. The grounds here, which include those of the laws for women, are that men living by their daily labor, and unable readily to find new posi-

person, body corporate, manager," etc., violating the "provisions of this act shall be guilty of a misdemeanor." Being contested as unconstitutional, on the ground that it deprived men of liberty and property, and that it was class legislation, this law was affirmed by the Supreme Court of the United States in 1898. The court said that "the state still retains an interest in the employee's welfare, however reckless he may be," and declared the act "a valid exercise of the police power of the state." For this reason of the employee's (and hence of the public) health, and for the reason that employer and employee do not stand on an equality in liberty to contract or not, the state has power to interfere with freedom of contract among grown men. (*U. S. Labor Bulletin* No. 17.)

Such Laws in Different States.—Colorado's law of the same kind was declared unconstitutional by the state supreme court in 1899, but the Colorado state constitution (different from that of Utah) was so amended in 1902 as to permit the law's re-enactment for many trades. Georgia's law of about ten years ago, forbidding employment in cotton mills of any one longer than sixty-six hours a week, but providing no penalty, would doubtless be, if contested, unconstitutional as to men. Nebraska's law of 1891, fixing the day, when not agreed upon otherwise, at eight hours for all except farm and domestic labor, and requiring double pay for overtime, was declared unconstitutional in 1894. The Illinois law prohibiting employment of women in factories for more than forty-eight hours a week was set aside about the same time, because a woman's right to liberty and property includes the right of free contract, because the law applied without reason to some occupations and not to others, and because it lacked connection with public health or welfare. No doubt this law would have stood in Illinois if it had forbidden something clearly objectionable, such as work by women in mines, or after 12 o'clock at night, though on the ground of the state's guardianship over women and children it would be unconstitutional in the four states in which women have the full right of voting—Colorado, Utah, Wyoming, Idaho. Yet if the reduction of time was not too great, it might seem that the Illinois court was disposed to be conservative, especially if the women themselves (not the men wanting their work) desired the law, as is usually the case in England with factory women. The Massachusetts law of 1874, limiting factory labor to sixty hours a week for all persons under eighteen years, and for all women of any age, was upheld as a proper health or police regulation. (*U. S. Labor Bulletin* No. 17.) The Utah quotation above, from the nation's highest court, shows that in the American states as a whole the question has practically been settled in favor of labor laws. This national decision will influence the state courts, yet they must decide differently where the state constitution is held to require a different

tions, are often unable to refuse to work as the employer dictates; that under the necessity of meeting competition a minority of the employers, or of the workmen, can set the hours for the majority; and that as their own health or safety and the public welfare are jeopardized, men desiring to work long days for extra gain need in some occupations legal protection from themselves. Laws similar to Utah's, to prohibit men from working over eight hours in mines and smelters, have also been enacted in Missouri, Colorado, Wyoming, New Mexico, Montana, and Arizona, while earnest agitation will probably lead to their enactment soon in Great Britain and France. In Austrian mines the day is already fixed by law at nine hours. An eight-hour bill for mines was debated in the British Parliament in 1893, but the matter has not since been carried so far. Such a measure passed one of the French chambers in 1902. The Continental nations heretofore have not followed so closely as Great Britain and America the rule

decision, and in the absence of a difference of constitution may determine whether a law coincides with the needs and desires of the people.

Where Courts are Too Conservative, growth of public opinion will widen their views. This growth has taken place in Massachusetts, and still further in England, in whose complex industry many labor laws are needed which in the simple industries of agricultural states would be superfluous or tyrannous. "We have no disposition to criticise," said the United States Supreme Court in the Utah case, "the many authorities which hold that state statutes restricting the hours of labor are unconstitutional. . . . The question in each case is whether the legislature has adopted the statute in exercise of a reasonable discretion, or whether its action be a mere excuse for an unjust discrimination, or the oppression or spoliation of a particular class." In 1902 laws limiting hours for women were upheld in Nebraska and Washington, and the Illinois decision was cited as the only one to the contrary. (*Bulletin* No. 44.) Ohio's ten-hour law for railway and mine workers, set aside about ten years ago, would doubtless stand now.

The State in Relation to Labor. In his book of 1882 under this title Professor W. S. Jevons, confirming earlier teaching of John Stuart Mill, and confirming the practice in factory laws, established as orthodox economic doctrine the limitation by law of freedom of contract where there are no available means other than law to prevent injury to the physical, mental, or moral health of work people. Law for women and children was chiefly meant, but the admissibility was recognized of legal restraint on the labor contract of men. An able discussion of this subject is given in Webb's "Problems of Industry," 1898.

to except men in laws limiting freedom of contract; but the only law of importance besides the Austrian that does not thus except men seems to be the French factory law of 1900.¹ In Australasia the awards under the compulsory arbitration laws limit men to eight or nine hours in many occupations; and in 1901 New Zealand extended her general factory law to men, limiting the factory day for all workers to eight hours. Great Britain enacted a law in 1864 to prevent men in potteries from being overworked four days of the week and left idle the remaining two. Under the Railway Regulation Act of 1895 the British Board of Trade has compulsorily shortened the day of many thousands of men workers. The Home Secretary has the same power (not yet exercised it seems) with regard to men in any manual labor dangerous to health or limb. In America the mining laws described above were the first that limited to any important extent the working hours of men, but laws designed for such limitation existed before. In 1886 and later different states limited the day to twelve hours for employees of steam and street railways. New York in 1893 limited brick makers to ten hours, and in 1900 limited drug clerks to seventy hours a week. In 1895 and later different states limited bakers to sixty hours a week. For reasons of public health and safety, all these laws for men would doubtless be constitutional, but difficulty of enforcement has made them comparatively unimportant in results. The New York law as to bakers was affirmed by the supreme court in 1902. Excepting these cases just specified, agitation by American unionists for eight-hour laws for men has been confined to public work, as to which they have been successful in many state legislatures and city councils, as with the national Congress. At different times, especially from 1886 to 1894, in-

¹New York labor report, 1900. Russia had an unenforced ten-hour law for men in handicraft trades as early as 1785, and in 1897 made the limitation effective, though the day permitted is long. Austria, for some years, has limited the day for men, but eleven hours, and by ministerial order twelve, are permitted. (*U. S. Labor Bulletin*, Nos. 28, 30.) Her nine-hour law for mines was enacted in 1899, after a strike. These two countries have never had an approach to the liberties of England. It was the radicalism of Victoria that enacted in 1883 the first eight-hour law for men in mines. New Zealand too has had such a law for some years.

definite hopes of securing an eight-hour law for all trades have arisen among a few American workmen of socialistic ideas.¹

History of American Eight-Hour Laws. The laws of many states, enacted about 1870 and since, to the effect that eight, nine, or ten hours (some states fixing one time and others another time) shall constitute a legal day's work, usually excepting domestic service and farming, are of little consequence, applying only where the hours have not been agreed upon in the labor contract. The hours, in contracting to labor, are almost universally understood from the custom of the shop or the trade. Such laws, as public expression of the desirableness of a shorter day, may further the movement by influencing opinion in its favor; but very few people know of their existence, and some of these are turned against the movement by viewing the laws as undue concessions to the labor vote. The national law of 1868, fixing eight hours as the day in all manual work done for the national government, was passed by Congress in response to a general labor agitation. Despite President Grant's two proclamations, of 1869 and 1872, that wages should not be reduced accordingly, this law was only thus enforced by officials, or was entirely ignored.

The Reason of Non-Enforcement was Not Official Perversity, as some writers seem to claim, but was lack of a supporting public opinion, without which many laws rightly become dead letters. Not only was this law a too wide and sudden departure from the ten and eleven hours then worked in private industry, but under the impracticability in government employment of balancing decrease of time with increase of efficiency, together perhaps with absence of willingness to do so, such a reduction of time without reduction of wages, with workers already paid well, would have been favoring the few by taxing the many through a gross departure from market rates (page 414). A California eight-hour law of 1868 for public work was evaded and nullified in the same way as was the national law. By a law of 1888 Congress applied the eight-hour day to letter carriers, with some reason, it would seem, since the day was then dropping to nine hours in many trades, and in a few to eight. By a law of 1892 Congress forbade government officials to require or permit manual labor for a longer day than eight hours except in emergency. Since then the eight-hour day has come to be closely observed with manual workers whom the government employs directly. The laws of 1868 and 1892 were intended to include also the work done for government contractors; but by reason of doubtful constitutionality, and of inability to consider the time of labor on many supplies bought in market or made to order, the law has not been generally applied to contractors (especially subcontractors) except those in building, and these have not been prosecuted for its violation. (New York labor report, 1900.)

The Government Contract as a Lever for Securing Eight Hours in Private Industry. By means of a bill passed by the lower house of Congress several years ago, but not yet passed by the Senate, the labor leaders

Sufficient Reasons for Limiting Hours by Law, in the case of women and children employed in large factories, are now perhaps universally admitted to exist by economists, few or none remaining of the extreme *laissez-faire* or let-alone school of the Manchester¹ manufacturers and their defenders.

seek to impose the eight-hour limit, not only on all work done to order for the government, but to carry it as far as practicable in the case of supplies made for contractors, so that the latter must be eight-hour goods, somewhat as with union carpenters the materials must be union-made. The labor leaders seem to think that enactment of this bill would go far in extending the eight-hour rule; that as in one shop goods made for the government cannot be kept separate from goods made for other buyers, eight hours would prevail for the shop's work as a whole. But this is very improbable, unless the eight-hour day was already near for other reasons, or unless the shop was so fully occupied for the government as to make other customers unimportant. If shortening the day caused a considerable loss to the employer, bidding for government orders would be confined to a few eight-hour concerns producing for it alone, and charging it monopoly prices, while other concerns proceeded as at present with the hours fixed naturally by the relation of the different trades. The companies engaged chiefly in building vessels for the navy say that as the proposed law's effect would be to limit all their work to eight hours, it would prevent them from getting foreign contracts.

New York State's Similar Law was held by her supreme court in 1900 to apply only to construction work (not to products) done to order for the state separately, whether by the state directly or by contract, and not complicated by connection with production for general sale. By late New York decisions as to wages and hours, given in Chapter XIX., an eight-hour law that caused a waste of the government's money, by excluding it as a purchaser from the low prices of the general market, would probably and rightly be unconstitutional. A United States district court in California decided in 1898 that Congress had power to fix the day at eight hours, either for direct employees or for contractors, and to punish violations of the rule. But this case did not involve waste of public money and other matters that make the later New York decisions more important.

High Pay and Costly Work in Navy Yards. One reason why ships built in its navy yards have cost the government considerably more than those built for it by contractors is that navy yard workers have not only the eight-hour day, and pay above market rates for their labor, but have also 7 annual holidays with full pay (or 2½ times full pay for working), and have now, with full pay, a vacation of 15 days. (Indus. Com. XIX. 846.) It is not surprising that the forces of unionism strove so eagerly in 1902, and with success, to induce Congress to have some of the ships built in the navy yards.

¹But the Manchester Argument that free competition, each person for

Also for the sweated trades in cities, extension of factory laws, down to the shop employing but one person, seems to be the only remedy for fearful suffering. Half-starved women and ignorant foreigners, working twelve to fifteen hours a day at garment making in scattered tenement shops, are totally unable to hold one another to reasonable hours by forming unions. Neither can the hours be regulated by agreement among the employing contractors, competing intensely for the work given out by large manufacturers. Nothing but law will suffice. The best effect of its rigid enforcement would be that, by preventing sweated people from bartering their life blood for a half living, their kinds of business would be driven into factories using improved machinery, employing the same people, and in ten hours turning out a product sufficient to admit of decent wages. For toys now made by the sweated, and sold incredibly cheap, more would be paid or they would not be produced. The vicious circle would be broken—bad work making low pay, and low pay making bad work. Fear of losing trade to sweat-shops would not depress wages in large factories. Relief from bitter struggle would gradually raise the sweated to the plane of self-help, by unionism and otherwise.

himself, would be best everywhere, with the weak and ignorant and all others, is still presented as formerly by capitalistic opponents of factory laws and of unionism. Though the motives of these may be selfish, yet the instinctive aversion to limiting freedom of contract seems allowable, and often commendable, among people not familiar with large scale industry. Apart from such industry, and from the helpless sweated workers in cities, restriction would generally be an evil. (Chapter XIX.) The universal approval mentioned is among economists, of whom perhaps all have perceived the necessity for factory laws and unionism. Prof. A. S. Bolles, in his article in *N. A. Review* of March, 1903, makes perhaps the nearest approach, by an economist of to-day, to full indorsement of the older notions as to sufficiency of the employer's self-interest, and as to uselessness of unionism. It seems that his view of the solid necessity for unionism is obscured by the many welfare institutions of large corporations; and that his view of the solid merit of unionists is obscured by the murderous boycotting in the recent coal strike—also by such excesses as the demand of the cash register company's employees for removal of a non-union hinge from a door, and for withholding towels from a non-union washerwoman. As inability to see through such abuses is probably the trouble with most of those who dislike unionism, the latter's supporters have in reasonableness, and in obedience to law, a sure means of winning many friends.

The advanced women workers, capable of unionism, in British and New England textile factories, are those first lifted from the slough of despond by legal shortening of the day.¹

For Grown Men Also Limitation of Hours by Law seems necessary in most or all of the American cases outlined above, and especially with railway employees, that their excessive fatigue may not endanger the lives of themselves and of the traveling public. No doubt the present mild laws of the states on this subject might well be strengthened, in view of the irregularity of railway hours, of the heavy loss of life from accident, and of the inability of the strongest unions to bargain on an equality with great corporations. In the large increase of regulation by law of many industries involving exposure to dust and to poisonous materials, there ought probably to be a shortening of the day by law for men. In Great Britain the death rate for file makers and lead workers is double that of coal miners, fishermen, and railway engineers. But only where there is no other adequate remedy for an evil has limitation by law of freedom of contract been accepted by economists as admissible. A practice of caring for one's self is still the only basis of independence and capability. The claim of Mr. Webb and Mr. Lloyd, that the government, in the present era of democracy, is only the executive committee of the workers themselves, does not apply to duties which the individual cannot safely delegate; and besides, adherence to constitutional principles is necessary to prevent resort to tyranny by the majority.

Self-Help is Better. If blast furnace workers in the United States must toil twelve hours because a few furnace owners hold all competitors to that time, limiting the day by law would be allowable, as a last resort. But those workers would be made more capable men, and they and their descendants would fare better in the future, if by union demand, and by finding other jobs, they themselves secured the reduction of time, assisted simply by public opinion.² It is well that the

¹Webb, *Problems*, 160. The sweating system is further discussed in Chapter XVIII.

²Their need for a shortening of the day was strongly stated in *Political Science Quarterly*, 1899, p. 704, by John Graham Brooks. A strike among

American coal miners have reached the point of success in unionism at which they prefer to fix hours by their own agreement with employers' associations. (Chapter XXVII.) The settled opposition of North of England coal miners to an eight-hour law is due to the strength of their union, and also to the characteristic dislike of the English to any legal restriction not absolutely necessary. In America, in strikes against unreasonable hours the favoring pressure of public opinion is now very strong. The loss involved in securing just demands by strike is usually balanced by the gain in manhood. The union vigilance necessary to hold rights once gained makes stronger men for the future, while a law to lean upon makes future men weaker. It is to be hoped, therefore, that the spread of unionism, with its influence over unorganized trades, will restrict to the minimum the necessity for laws to limit the hours of men. The factory laws for women provide for the trades that are sweated. At furnaces and mines unionizing is feasible. Where workers are too scattered for unions, they are usually protected by custom, and by ability to move. Retail stores in all parts of the country are now coming to be closed at reasonable hours. With grocers and meat dealers in Michigan cities, the closing time was changed in 1902 from 8 o'clock to 7, excepting Saturday and railway pay days. United demand by unions of clerks, supported by public opinion, is sufficient to maintain the new custom. Some leading retailers of dry goods gain extra good will from employees and public by closing at noon one day each week in summer. Securing a shorter day in this way for stores is very much better than by

them in 1902, for an eight-hour day, was compromised with a slight increase of wages. As the indications are that their demands will be made again and again, they will probably secure the needed improvement of conditions by their own efforts, as coal miners and street railway men have done so successfully during the last several years. Despite the loss to the workers, securing demands by strike will generally be better than by law in permanent results. It does not seem that a long day gives a competitor any advantages that an employer's men desiring a short day could not balance with faster, better, and more cheerful work, and (so far as this proved insufficient), by accepting a slight reduction of pay. The reduction would not be a defeat, weakening their upward pressure, under the effect of more leisure to increase independence.

law, as was done in Victoria in 1899, though applying the Massachusetts factory law to stores provided a needed safeguard for child workers. There is little danger that one store's longer hours by choice will soon be imposed on all other stores by necessity;¹ or that, amid the present unionism of workmen and their ability to move, the man choosing to work more hours for more pay will soon be forced to work the extra hours for the lower pay he had before. The increasing desire of the public to relieve people from all unnecessary hardship bids fair to answer every need. Keeping a store open longer than the cus-

¹Sunday Laws. However, the laws of many states prohibiting or restricting the opening of barber shops on Sunday (affirmed as constitutional in New York and Minnesota but set aside in Illinois and Missouri) seem necessary to protect all the barbers from being compelled to keep their shops open on Sunday in order to avoid losing customers to the one or the few who by keeping open resort to unfair competition. Hence, such laws are desired by both employers and employees. Shaving on Sunday has long been common, and the temptation to postpone going to the barber shop until Sunday is strong. The case is hardly the same with photographers.

The Religious Reason and Desire for Fewer Hours of Work. Reasonable Sunday laws, forbidding one to keep open a place of business, or to do himself or require an employee to do any work not to be excepted as a work of necessity, have existed in some form in most of the states from the beginning, and in some have lately been enacted in new statutes, such as Ohio's of 1898. These general laws, constitutional everywhere perhaps, and usually enforceable by reason of prevailing religious opinion, have now a strong additional support in the desire of every class that workers be protected from having to work too many hours per week. For the sake of leisure unionism would approve (and could obtain if necessary) strict Sunday closing laws and customs in many occupations, but, for reasons of religious liberty, would rightly object to such laws based on religious grounds where the religious opinion in their favor does not largely preponderate. Where it does thus preponderate the majority have a constitutional and moral right to secure by law the quiet Sunday they desire. Apart from the liquor and the amusement business (and here a rest day for workers is one reason), enforcement of Sunday laws for the sake of morals and religion has not been strict for many years, and in most states seems to have almost passed away. Where opinion is strong enough to secure enforcement there is little need of it. In upholding liquor laws also the forces of religion and morality seem destined to have increasing support from the awakening of trade unionists to the liquor traffic's effects in weakening their cause. (Page 189.) Another force for temperance may be a discernment by business men that for every dollar the liquor traffic adds to trade it eventually takes away two or more.

tomary closing time, or resisting a proper movement to make that time earlier, will now drive away more customers who desire to relieve clerks and all others from unnecessary hardship, than it will gain from buyers who selfishly follow their own convenience, without regard to effects on others. Boycotting, to the extent of refusing to patronize a merchant who resists a proper early closing movement, is undoubtedly a duty. All this is a natural growth of opinion. Apart from the exceptional trades mentioned, a wage worker still has a right to work twenty-four hours a day if he and the employer so choose, while even in those the employer can work so long himself. There are plenty of forces besides law to prevent either from doing so. The state assumes that they are men, able to take care of themselves, and by thus leaving them alone *makes* them able. It is liberty, voluntarily restrained by a sense of right and expediency, that develops the highest type of manhood. Only where that sense is lacking, without prospect of reaching adequacy, should dependence be placed on law.

CHAPTER XVI.

IRREGULARITY OF EMPLOYMENT.

The Reserve Army of Idle Men. The argument that the shorter work day would provide employment for the idle, commands attention from many well meaning persons outside the ranks of wage earners.¹ The idea of a "growing residuum" of idle men, of a "reserve army" of the unemployed (introduced by the socialists),² is dwelt upon pathetically. One noted labor

¹Unemployment Figures. From all British trade unions making returns the largest proportion of members not at work was 10.2 per cent December 31, 1892, when business the world over was bad. The lowest percentage was 1.4, Jan. 31, 1890. Highest yearly averages by months were 7.5 in 1893 and 6.9 in 1894; the lowest were 2.1 in 1889-90, 2.4 in 1899 (3.8 in 1901). By the Massachusetts census of 1885, 5¼ per cent of all gainfully occupied were unemployed at their usual occupation for six months—30 per cent for one month or more. Most of the 5¼ per cent must have found other work; for so many to be idle half the year would seem to be very unusual. In a period of greater depression, 1894-5, the Rhode Island census showed 4.5 per cent of all to be unemployed in June, and 7.3 per cent in February, the average being 5.8 per cent. Of all trade unionists in New York state, 30.6 per cent were unemployed March 31, 1897, but only 13.6 per cent at the same date in 1902. The national labor department's estimate for the whole country of 1,000,000 as unemployed for a time in 1886 was only about 5 to 7 per cent of all wage earners. The Massachusetts showing in 1885 of 29 per cent of all gainfully occupied as not engaged in their usual occupation an average of 4.11 months of the year, included such as employing farmers or builders idle in winter. An accurate census in France showed only 2.9 per cent of wage and salary receivers to be idle March 26, 1896. The reason with 39 per cent of them was sickness, and with 31 per cent dullness of season. French industry is less subject to world markets than British, and is free from America's waves of immigration and railroad building.

²The Strength of the Eight-Hour Movement came largely from Karl Marx's doctrine that profits, instead of being a just and necessary payment to the employer for his labor of management and his risk of loss, are a surplus value extorted from laborers by requiring of them more hours per

leader has said that the hours of work are too many so long as one person remains unemployed. However much we ought to sympathize with the unfortunate, this argument seems hardly worthy of consideration in America.¹ It not only involves, with demand for product necessarily unchanged at first, the doing of less work by those previously employed, and a consequent fall of their wages or failure to rise, but it also leaves out of account the fact that when the new system had been started, and every

day than are paid for in wages, and more hours than would be necessary to produce the same output with all classes at work under state socialism. An eight-hour day by law has been a favorite demand at conventions and May day celebrations of socialists in Continental Europe, their anniversary of May 1 being the example followed by many American states in making of the first Monday in September a legal holiday called Labor Day. Estimates of the unemployed, and of their miseries, are exaggerated by socialistic writers, to support their claim that under use of machinery the cheapness of large scale production is putting industry in control of monopolists, and that to prevent the utter ruin of the workers the ownership of capital and industry must pass to the state.

¹**A Short Work Day in a Crowded Country.** There is more reason for a short day in England, where there are no spare resources of land, forest, or mine, and where at no time, with industry as it is, are all the willing workers well employed—or employed at work worth doing. It is conceivable that a crowded country's natural resources might be so closely utilized that employing all the people six hours on work yielding good product value would give a better average of well-being than allowing the work on good resources to be absorbed by fewer men with long days, while the others worked poor land and poor mines, or followed poor business of other kinds. As wages for all labor of the same grade would tend to be fixed by the product of the men on the poor land and in the poor business, work by these a short day on the good resources might yield as much as they produced before in a long day on the poor. Abandoning the poor land, and the poor business, from readiness of all to leave the country rather than work over six hours, and rather than take for this short day less than they received for the long day before,—would lower the rent of the good land (page 6), and would stop the poor businesses unable to bear the higher pay per hour (page 417), thus throwing on landlords and capitalists, without rise of prices to consumers, the loss from diminution of total product. Relieving thus by emigration the pressure on a country's resources would be undoing what takes place when population increases. But by the most intelligent manufacturing and exchanging abroad, and by leading each to learn and find the work he can do best,—poor land, high rent, and poor business can be avoided, up to a reasonable crowding of population, while more hours of work above six give more in product and in wages.

man put to work, business depression and slackening of demand for labor would come again just the same as they have come repeatedly heretofore, after periods in which there was work for everybody without shortening the day.¹ The real question here, therefore, and an important one, is, What can be done to make employment more regular?

That High Wages and Continuous Employment Do Not Go Together seems to be a fact. In this matter there is an element of truth in the wage fund doctrine (page 130). To sell all the labor offered, as to sell all the strawberries brought to town, the price in each case must be lowered until by thus enlarging demand it is made equal to the supply. Though labor is like a perishable commodity, every hour of it being lost that is not sold beforehand, its vital connection with the life and welfare of a man and his family, and its incapability of being withdrawn entirely from market like a commodity one can cease producing, make the lowering of wages to absorb the surplus labor a much more serious matter than the lowering of prices of commodities. With wheat or cotton, when the surplus supply has been consumed, scarcity raises price quickly and certainly; but with labor, in the absence of pestilence and immigration, the total supply remains about the same, change occurring in demand only. If, when labor demand improves, the pressure brought to bear by the workers for a raise of wages can be equalled by a contrary pressure from employers, wages may sometimes be kept below the level justified by prices and profits. The gradual effect of such wages to make labor dull and inefficient

¹**Lack of Employment in Australia Was Worse** by far after adoption of the eight-hour day than ever before. Being the rule for only twenty trades in 1884, eight hours had become the rule for sixty trades by 1891, but from 1890 to 1894 lack of employment was unprecedented, 15,000 men receiving public support for a time in Melbourne. Mr. Rae, who cites this fact, shows also from exact statistics that the British law of 1847, diminishing factory hours from eleven and twelve to ten, gave employment to no additional people. When it took effect factories were closing from deep depression arising from other causes, and as work was gradually resumed the output of operatives soon became as large as before. In his excellent book Mr. Rae advocates an eight-hour day where practicable for the sound reason that it will raise intelligence and efficiency, and increase happiness, while decreasing output but little if any.

absorbs eventually what the employers at first gained by keeping wages down, and even raises the labor cost per unit of product; but this result is too distant to admit of dependence upon the average employer's self-interest as a safeguard of wages.

Not to Submit to a Wage Reduction that can possibly be avoided is therefore a cardinal principle with union men. In this they are supported by solid reasons. First, their acceptance of less pay would lower prices further than they would otherwise fall. To resist their demand afterward for an increase of pay, the employer would then be strengthened by the difficulty of raising prices with such commodities as clothing, purchases of which consumers can long delay and greatly curtail. Second, if wages could easily be lowered whenever profits began to decline, employers would learn to depend on wage reductions, instead of on use of better machinery and on energetic management. This would be a two-edged sword against progress, lowering the spirit of enterprise among employers, and lowering the standard of life and of efficiency among workers, whose pay would tend to fall rapidly, as in times past, to the level of bare subsistence. Third, in resistance by men to wage reduction, since reduction ordinarily causes hardship by depriving families of comforts long enjoyed, they receive more sympathy and moral support from public opinion than when they demand a raise in a standard of comfort to which, by some lapse of time, they have become accustomed. The force of the fact that they had once before possessed the higher pay might be explained away in differences of living expense. Fourth, workmen have larger savings and are stouter in spirit—being better prepared to bargain or to strike—after a period of high wages not yet lowered than after a period of low wages and slack employment.

Partial Idleness in Defense of the Standard of Living is therefore preferred by unionists to a lowering of their rate of pay, when in dull times falling price and high wages stop or check the employer's production. Until improving business enables him to proceed again as before, the workers live economically on previous savings and on temporary or short time employment, or betake themselves to other occupations or to other towns. This was especially the case in 1893-98, when in many

skilled trades wages were not lowered at all, though generally output was small and work scarce. A practice of saving money and living temperately, to be prepared for partial idleness—of bearing continually some self-denial for the sake of inestimable gain in guarding and raising the standard of life, and in dealing with the employer not dependently, but with a reserve of resources—is the most strengthening and elevating kind of discipline that wage workers can have. This practice with them has also the most wholesome effect upon the other sections of society, winning the respect that is secured only by possession of resources to be reckoned with, and leading employers and the public to acknowledge the rights of wage earners, with the importance to all of their liberal maintenance. Possession of savings enables them also to continue most of their usual consumption when out of work, and hence to check the lessening of employment in the trades whose goods they buy.¹ The union's out-of-work fund—necessary, under the low wages of

¹**The Success of the Workers in Forcing up Wages** when business is brisk, and of keeping the decline in depression as small as possible, is shown in the average daily pay of 25 occupations from 1870 to 1898. From \$2.45 in 1872 this rate in America fell to \$2.18 in 1876, then rose to \$2.56 in 1892, and fell to \$2.43 in 1898. In the short depression of 1884-85, no fall occurred. The changes in England were similar. During 1900-1903, prices having previously risen and work increased, wages in nearly all occupations, both in America and England, have risen higher than ever before, and labor was never more closely employed. The fact that in the lower wages of France there was no fall in periods of depression, and that the rise was slow and steady, indicates that wages there do not follow profits closely as in America and England, but depend more on the old feudal or patriarchal basis of what is proper for support in one's station. The wage figures above are those of the U. S. Department of Labor.

More Figures Proving Rise of Wages, omitted on page 360, are the following, derived by the labor department from its own careful investigations and from the Aldrich Report. (*U. S. Labor Bulletin* No. 38.)

In 21 American industries the average relative hours of labor, taking the hours of 1860 as 100, were 105.5 in 1844, 95.5 in 1870, 93.6 in 1875 (perhaps by reason of running short time), 93.6 in 1880, 90.9 in 1887 up to 1891.

Relative money wages in gold were 86.5 in 1844, 98 in 1855, 100 in 1860, 72.2 in 1863 (greenbacks fell far below par), 152.2 in 1872, 135.2 in 1875, 152.7 in 1882, 150.7 in 1884, 161.2 in 1892, 157.3 in 1895, 163.2 in 1899 (considerably higher in 1903).

Relative wholesale prices of 90 articles were 116.2 in 1840, 100.3 in 1842, 115.4 in 1856, 100 in 1860, 112.2 in 1863, 152.9 in 1866, 134.8 in 1872,

England, for holding back labor in wage bargaining—is a cause of weakness so far as men depend on it, and relax effort to save individually.

But Some Reduction of Money Wages in Dull Times, not only in the aggregate per year by means of partial employment, but in the pay per hour and per piece, will continue to be necessary with perhaps a majority of the people. Industries supplying local markets, such as building trades and bakeries, or consisting of a few large concerns depending on demand in the home country, such as American locomotive and steel works, may be so unionized by workmen, and so checked in output by employers, as to keep wages per hour or per piece practically unchanged during a dull period that is not too prolonged. The price reduction permitted by cheapening of materials may here be sufficient, and in some lines a deep cut in price might not largely increase sales. But with industries whose prices are regulated mainly by exports to world markets, such as British cotton mills, or which consist of many scattered concerns supplying a home market, like American firms manufacturing furniture and buggies,—such concerted action among all the competing employers, and among the workmen, as to effectively limit output to the point within which wage rates can be maintained, may be wholly impracticable.

Where Fall of Prices Must Bring Fall of Wages. When some of the employers make additional sales and keep busy by lowering prices, others must usually do the same or suspend entirely; and when the price reduction is no longer balanced by the cheapening of materials, and by a proper lowering of profits, wages must fall if work is to continue. In these cases, under

103.4 in 1879, 119 in 1882, 96.6 in 1892, 78.6 in 1897, 83.6 in 1899. Another computation, with 101.7 for 1899, gives 110.5 for 1900, 108.5 for 1901.

Relative real wages in goods, measured by wholesale prices, were 75.5 in 1840, 92.1 in 1849, 100 in 1860, 67.9 in 1863, 56.2 in 1865 (this shows how war prices lower real wages), 83.2 in 1867, 112.9 in 1872, 132.3 in 1878 (this shows how low prices raise real income for those at work), 122.6 in 1880, 155.5 in 1885, 165 in 1890 (money wages rising and prices falling), 174.5 in 1892, 193 in 1895 (money wages falling, but prices falling faster), 202.3 in 1897 (nearly three times the real wage of 1865), 195.2 in 1899 (prices rising faster than money wages. The 1903 rate is lower. Prices rose 40 per cent, 1897-1902—stationary since. Reduced wages rose 40 to 100 per cent (coal miners, longshoremen); wages not reduced rose 10 to 30 per cent.

- a fall of wages, employment may not be greatly lessened, and the yearly income of the workers may be much larger than that of others retaining their high wages but getting less to do. Moreover, in such periods the fall in prices to consumers actually *raises* real wages in purchasing power with fully employed persons retaining their money wages unchanged. Hence it may be considered positively unjust (if not to the employer in taking too much of his profits, at least to idle men he might employ for a larger output, and to consumers deprived of goods by prices not sufficiently lowered)—that in a time of depression there should not be a fall of money wages that had been raised high previously in good times, and had not been adjusted, like the fixed salaries of professional men, to a permanent average
- between a high and a low level.¹ Also, in the partly monop-

¹Is It Right to be Glad for Gain that Comes from Another's Misfortune? The ex-governor of Michigan who, it was reported, spoke reproachfully in 1893 of a college professor's expressed pleasure at being able to buy cheaply, overlooked the fact that the professor was only then having his promised inning, which implied an "outing" for somebody else—in this case the farmer or the manufacturer whose products he bought. Without the low prices of dull times, salaries in such professions would need to be larger to secure the grade of men desired. The professor was not different from the many American farmers who regarded with "ghoulish glee" the Russo-Turkish war of 1877, because it raised the price of wheat to \$2 a bushel, nor from well paid mechanics who rejoice that others cannot acquire their skill. The right spirit here is that of the undertaker who is sorry his friend dies, but who—since death is inevitable, whatever he himself thinks or does—is glad for the chance to sell the funeral outfit. The wrong would appear if farmers sent emissaries to stir up war in Europe, or if the undertaker, to bring on disease, opposed new sewers, as liquor sellers oppose temperance reform. Yet their action then would not differ in principle from that of protectionists, who have foreign goods shut out to make their own scarce and high, or from that of unionists, who artificially raise the price of their labor by restricting apprenticeship. As unionists believe that "by protecting us against the competition of the unfit, the incompetent, we can be sure of a reward for our sacrifices" (the strong desiring to manacle poor fellows unfitted at best to survive in the trade)—so protected industries, with rich mines and great machinery, become frantic over the thought of competition from European pauper labor, producing with poor tools and poor mines, barely enough, above rent, to keep life in their bodies. Reasonable limitation of size of family is different, benefiting all, since it prevents overcrowding the community's resources as well as the family's, and withholds from the unborn a gift of life not to be desired.

olized industries mentioned in the preceding paragraph, some reduction of wages may be necessary in a long depression, to keep non-union employers from getting the bulk of the work (page 289), and to keep men from leaving the union under the pressure of need.

The Modern Uncertainty of Employment had no counterpart in former times, when the mass of the people had only the necessities of life, and could but slightly increase or decrease their consumption. They were employed chiefly in necessary drudgery, which continued about the same in amount. This even condition of industry continued in the backward districts of America until recent years, so long as each neighborhood supplied itself, with little dependence on outside buying and selling. Prices and profits did not materially affect production, and calculating what to do was simple. Each man produced what his own family needed, and what little additional he could exchange in the community. But now, on the contrary, in the country as a whole, most that is produced, being greater in quantity than the producer could use, and not comprising the variety he needs, must be sold for money, at prices fixed in markets supplied by shipments from over wide areas. What the supply and the price will be are difficult to foresee. A large proportion of the people's total income is spent for higher comforts, which many must stop buying when, from fall of price and of profit, their employment fails. Those who produce these comforts are then left idle also, and depression may spread to many occupations. Having to bear this uncertainty of employment, and of manufacture and trade, is the price that society must pay for the abundant production and varied civilization it derives from use of machinery, from minute division of labor, from concentration of factories in the best locations, and from the general intensity with which business is now carried on.

The Present System, While Yielding Infinitely Greater Results for good, is in some respects more dangerous to manage than was the old system, as driving a locomotive differs from driving a farm horse. But in net well-being the life of to-day seems to surpass the life of the past about as much as traveling in an express train is to be preferred over traveling in a prairie schooner. Down to the nineteenth century, from scantiness of

production and lack of transportation, crop failure in the most prosperous parts of Europe occasionally meant famine. Now, however, access by each community to a large region, in which to sell and to buy, enables it, when its own crops fail, to share (and by paying rising prices to increase) the good fortune of other communities in which products are most plentiful. In another year it may have the good crops while other communities have poor. By this system of exchange, so far as it is permitted by selfish and short-sighted tariff laws,¹ each community shares the good things of the whole world, and in turn helps to bear the whole world's burdens. In this kind of self-seeking lies the industrial brotherliness that nature blesses to the enrichment and elevation of all, with the same effectiveness that she curses socialistic brotherliness (page 385), for its destruction of both wealth and character. But with any conceivable progress, uncertainty of industry, though it can be reduced, can never be eliminated. Mankind lives on earth, not in heaven.

To a Large Extent Business is Still Limited by the Weather, wholly beyond the influence of man. With some of the Western railroads 35 per cent of traffic depends upon farm crops, and hence weather changes quickly affect prices of railway shares, as well as prices of grain. By prospect of good crops the makers of farm implements are induced to buy largely of iron and steel, the railways to order new equipment with which to carry grain, and local merchants to lay in large stocks of goods, to supply farmers with good incomes from crops, and workers with good incomes from wages. In ordinary times business is thus made brisk in nearly all lines, from iron and coal mining up to production of finished goods for personal consumption. The opposite is true when crop prospects are poor. Fewer goods are then bought, and employment may be scarce. The weather has a similar effect on demand for winter or summer dry goods, and on the employment of their producers.

There is Need for a Safe Method of Change in Wage Rates—of change not to be resorted to in this temporary dull-

¹The surprising success with which favored interests can secure enactment of such laws is explained at length in the author's book, "Plain Facts as to the Trusts and the Tariff," 1902.

ness of seasons, but necessary in many industries for their longer periods of depression. The higher wages are, and the more closely, under an average of prices, they trim the employer's share down to minimum or necessary profits, the more quickly he must close his factory¹ when this average price falls. Hence, the more complete the success of the union in raising wages, the more uncertain becomes employment. To overcome this uncertainty what is lacking? Obviously it is a safe and ready method of collective bargaining, between the union and each employer, or better yet, an association of all the employers in a district. In this important matter perfection has been most nearly reached in British cotton manufacturing, in which expert officials hired permanently by the union, negotiating with experts representing the employers, each side understanding thoroughly every condition affecting the other side,—make for ratification the best adjustment of wages that seems possible. When this highly developed stage of industry has been reached, the capable employer asks no reduction of wages that by his own effort he can avoid, or that by limiting output for a while can be averted, knowing that, aside from the risk of a strike, the disturbing and discouraging effect of a reduction tends to lower his employees' work, both in quantity and quality. For the latter reason, and to avert discord, he agrees without much pressure to raise wages when better conditions have returned.

¹**Running a Large Plant in Dull Times at a Loss** is sometimes resorted to, in order to avoid greater loss in interest on capital and in other fixed charges. But as continuing to throw goods on a weak market deepens and prolongs a trade's depression, and eventually brings net harm to everybody, such a practice will probably be very rare under the present tendency to take care of the market by means of reasonable agreement against cut-throat price lowering. The running at a heavy loss (\$100,000 a year) of Mr. A. S. Hewitt's iron works, mainly to help his employees, in the depression of 1873-78, would now be deemed a bad kind of charity. A London practice (mentioned by Mr. Hobson) of occasionally destroying tons of fish and vegetables, to avoid depressing prices, seems not to be resorted to in America, though of course a commodity is used for other purposes than food when a better price can thus be obtained. Outright destruction of food, with a third of Londoners going hungry, seems nearly enough to drive one to socialism. Ordinarily a local glut is prevented or relieved by spreading the surplus over a larger area, and at the worst, with staple foods, price and demand quickly become normal when the normal level is reached in supply.

The union, on the other hand, instructed by its professional experts, insists upon no more from the employer than is justified by conditions of trade, or by such defense of the workers' standard of life as it seems to be their right and duty to make, whatever the trade exigencies. Yet under the fairest spirit between employer and employee, wage reductions by this uncertain method of negotiation, or by the employer's order, are always to be dreaded, and not willingly to be consented to unless the period of low prices and depression proves too long to be tided over by restricting output. Hence, where selling price fluctuates widely and frequently, the sliding scale system of American iron and steel workers, and of British coal and iron industries, by which, at quarterly or other intervals, wages are adjusted by previous agreement according to average price of product—seems highly desirable; to the employer when piece work earnings are not being unduly increased by adoption of new machinery, and to the employee when his standard of life is protected by a safe minimum below which the sliding scale shall not apply. Such an arrangement removes all friction from frequent adjustment of wages to price, but of course cannot obviate the necessity of revising the sliding scale itself after the changes an industry undergoes in several years.¹

Growth of Speculative Judgment as a Remedy for Business Uncertainty. But while the weather and other factors, such as war and pestilence, must remain as elements of uncertainty, there has been room for improvement in men's judgment of business prospects. Hard times are usually due mainly to the calamitous effects of reckless borrowing, over-investment and over-production; of a sudden drop from one extreme to the other—from a flood tide of production to the lowest ebb of business stagnation. Each of the severe cases of hard times in the United States was caused mainly by disorders in the country's system of money; but without cause of this kind there have been a number of periods of great depression in England and

¹The sliding scale, which is a form of profit sharing, is described at length and recommended by Smart, in "Economic Studies," 1895, and is also recommended by Drage, in "The Labor Problem," 1896. It was adopted by President Roosevelt's commission in their award that settled the great strike of coal miners in 1902.

Germany. In some of these cases, as in 1873 and 1893, the depression was worldwide, extending from one country to others whose goods it had ceased buying. A more general development among business men of ability to properly speculate—to forecast the future, and to hold zeal within safe bounds—is the obvious and the only preventive for losses by over-investment and over-production. In the present flush times (1898-1903) the bitter lessons of 1893-97 seem to be well remembered, and producers (not counting the manipulators of trusts) are moving cautiously, ready to check production when inflow of orders begins to slacken. Demand is gauged somewhat accurately by the system of selling through traveling salesmen before manufacture. It is probable that at prices far above a safe valuation, thousands of millions of dollars have been invested in the United States since 1898 in new trusts and smaller corporations, and that much of the new factory capacity cannot long be kept in steady operation; but as railway building has been moderate, debt generally well secured, and loanable capital plentiful, it seems unlikely that this country, or the commercial nations in general, will soon suffer again such deep depression as that which covered most of the period from 1893 to 1897. One great cause of the dull times then—fear of monetary disorder from falling value of silver—will not be important hereafter, the single standard of gold having since 1897 been firmly established in the United States, and adopted by Japan, Siam, and several of the South American countries, with a prospect that before long no country of consequence will retain for its standard a metal so largely produced as silver and so changeable in value. Neither will probability of a scarcity of gold, in proportion to demand for it, cause hereafter, as in 1893, fear of hardship to debtors from falling prices, inasmuch as the world's stock of gold since then has been rapidly increasing, and as the need of coin is being further lessened by spread of the use of checks and bank notes. The various lessons of experience, the improved means for getting information and estimating future supply and demand, and the improved means for shipping surplus goods to markets needing them, are enabling the commercial world to lessen greatly the severity of depression. Periods of hard times are now less frequent than during the

first half of the nineteenth century, are recovered from more quickly, and cause far less suffering.

Wage Workers Also Must Learn to Read Business Conditions and prospects, if they would avoid mistakes in their demands, and use their opportunities to best advantage. The higher they rise, in capability and in wages, toward a position of equality with the employer, the more they are exposed to change of pay or to slackening of employment, and to the responsibilities of bargaining and of providing for themselves. In thus being left to self-direction they are honored. It is the dull and helpless laborer whom the farmers of the neighborhood keep from suffering (but not to their own loss in the long run), whether his work is profitable or not, as the mass of the people, growing duller and more helpless by reason of their guaranteed support and of their obedience to compulsion, would be looked out for by the master officials under state socialism. Freedom to choose must always be accompanied by risk of loss from mistakes.

To Avoid Rushing One Year and Lying Idle the Next, unionists may well exert all their power toward equalizing employment. This is a good reason why they object to overtime and to high pressure piece work, outside of such cases as emergency repairs, as loading vessels for departure, and as gathering crops in season. Irregularity of employment is the worst of all evils in some occupations. In British shipbuilding there have been cases in which the annual output was less than half what it had been two years before. Shortness and uncertainty of the period of employment are a cause of trouble to workmen in building trades everywhere, though with them the trouble is partly provided for in specially high wages while work lasts. The reason for the objection of New York masons to work in two shifts, even with double pay at night, is that the season would be shortened, with little increase in the yearly aggregate of work, while the high pay and new positions would attract new men to crowd the trade in the city. Unionists are certainly correct in believing that it is better to lose interest on partially employed machinery, than to permit recurring idleness and suffering among men. This matter is analogous to that of early closing of stores. Twenty years ago, in the smaller American

cities, retail stores were kept open every night until nine or ten o'clock. Agitation by salesmen changed the closing hour to 6 o'clock except on Saturday, giving them some leisure, and forcing buyers to learn a lesson of considerateness. Building of great ships and engines is larger business, but the buyers of these might also be taught to have some regard for the welfare of men by whom they are served.

Cannot Unionists Do Much to Relieve the Injurious Pressure on modern life? To check waste of strength and life in immoderate speed of production, and to lessen in advance the idleness this immoderation causes, unionists are justified in enforcing very high wages for overtime and for extra speed. In this way overtime is made exceptional, as it is intended to be, not systematic, as that by which the short day rules in British industries have often been nullified. Such action by unions seems necessary for the good of society, and wholly just to all concerned. The employer cannot well regulate the inflow of customers' orders. From him and his competitors, raising their prices for the time, and reaping high profits, little effort could be expected toward giving up a harvest in hand for a later one in the bush. The workmen, on the contrary, are led by self-interest to prefer less work now and more in the future.¹ In a time of brisk demand they cannot raise their wages so easily as the employer can raise his prices. Their reasonable policy is not to disturb the wage rate—sometimes settled previously by hard struggle—in every spurt of business activity. They endeavor to raise their rate when the activity promises to continue some time, but not so high as to necessitate much of a fall when dull times return. Their desire is to have no fall at all, leaving to the employer the task of meeting low prices by restricting output and by using better machinery.

¹The large shortening of the day by the garment workers' strikes beginning in 1894, had a noticeable effect in prolonging the working seasons and giving steadier employment. (*U. S. Labor Bulletin* No. 4, p. 372.)

Slow Changes in Wages. It is because workers do not dare to risk their standard of living by consenting to have wages lowered quickly like prices, that they cannot have them quickly raised. During the Civil War, from 1860 to 1865, prices rose 116 per cent, but wages rose only 44 per cent. (*Levasseur*, 22.) See in a previous note in this chapter the fall of real wages caused by war prices. Such would have been the loss to work-

The High Rates for Overtime, which the employer adds to his prices, not only reimburse the workmen for extra exertion, and for slackness of employment later, but tend to check over-investment by the employer's customers, as in the case of buildings and factory equipment, and tend also to prevent production by the employer and his competitors of more goods than the market will take. Unions may thus do much to avert a subsequent period of dullness or stagnation, as by promptly securing an increase of wages when prices and profits rise they may prevent waste of capital in new plants not needed by society. Unionism will be more effective toward these beneficent results as it spreads among the workmen of the world. Already the more important industries of America, Great Britain, and Belgium are largely under its control or influence, and those of Germany and France are fast being organized. Fraternal coöperation among unions will prevent one country, in busy seasons, from taking more than its share of orders by means of overtime not well paid for as in other lands. Moreover, the exceptional skill developed under the best unionism, and the dulling effect of unionism's absence where it is needed, protect union workmen and their employers from the unfair competition of men in other lands or other states that work more hours at lower pay.¹ Extension of factory laws limiting

ers if there had come in 1893 or 1896 a drop to the silver standard, with a doubling of prices; and such, together with the paralyzing of business by loss on debts and uncertainty of future values, was the cause of their suffering repeatedly in colonial times, and between 1812 and 1860, from issue of irredeemable paper money by states and wildcat banks. An inherited temptation, thus to raise prices and scale down debts, was strong in the greenback and free silver movements of 1874-96.

British cotton workers regard as a crisis a wage reduction of only 3 per cent. In twenty years to 1897 the spinners had five changes upward and seven downward. By the British boiler makers' and coal miners' agreements with masters, wages change only 5 per cent either way, and do not change again until after six months. Masters are thus enabled to figure with certainty on wage cost.

¹**One of the Best Effects of Socialistic Teaching** has been the partial elimination of the old tribe or clan instinct of confining one's fellow feeling to the people of his own country, and of emphasizing his regard for them by hating all others. A thorough study of foreign trade shows (see the author's book on the tariff) that what is best for all mankind is eventually

the work day is necessary to save the sweated workers in cities (too poor and ignorant to form unions) from having to toil all night to make quick delivery of millinery and other seasonable goods. Customers do not know of the misery their haste causes; but if they did know of it, and if many tried to be considerate toward the workers, competition for the custom of the less scrupulous buyers would tend, in the absence of factory laws, to make rushing work the rule.

Reformed Distribution of Wealth as the Remedy for irregularity of employment has been ably urged by Mr. John A. Hobson.¹ This serious evil—at its worst when he wrote, and apparently increasing with the spread of large scale production by machinery to more industries and to more countries,—has not been so nearly removed, by the prosperity in many lands since 1897, as to make his contention unworthy of study. It seems unquestionably true that by the payment of rent, profit, and interest to the few, in vastly larger amounts than they can possibly consume, their saving of capital for production has increased capital faster than the increase of demand for and ability to buy its products, besides the fact that consumption by the rich does not spread employment and prosperity as does the buying of common goods by the workers. When production passes ahead of consumption, capital and labor must go on short time. A too rapid construction (with mountains of debt) of railroads and factories, which are fixed capital, not to be turned

best for every person everywhere. The natural laws of economics confirm the Christian doctrine that all men are brethren. A nation, like employer or employee, buyer or seller, needs the self-sufficiency requisite for taking care of itself, but, like each of these, it rarely needs to be otherwise than friendly. The class solidarity of workingmen, though marred by socialistic hatred of the classes above, is beneficent in preventing one nation from taking unfair industrial advantage of another. There is need for this class solidarity, under the present tendency to regard anything as allowable that extends the trade of one's country. (Page 335.) It is needed also when the disposition arises to make too much of the army and navy, which are less necessary here than in Europe. America's surest defense consists of a trade that all nations gain from, and of a people so enterprising that as volunteers they can surpass the regulars of other lands.

¹In his book, "Evolution of Modern Capitalism," published in 1894. A related line of thought was taken the next year by Prof. William Smart, in his book, "Studies in Economics."

to other business without heavy loss, was admittedly one cause of the over-production of goods in 1867-73, and in 1887-93, leading to ruinous fall of prices, and to idleness and privation with vast multitudes. Profitable sale and satisfying use of all the consumable goods the country's capital could produce (in properly related quantities) would be insured by so dividing the annual product as to give means of purchase to those desiring to buy. The socialists, whatever may be thought of their proposals, are right in their claim that there are grievous wrongs somewhere in the present system when workers in many occupations, suffering for one another's products, must lie idle simply because, from lack of the purchasing power they would have if at work, prices have fallen too low to afford any profit.

Some Socialistic Reforms that Conservative Economists Approve, and which are now coming to be rapidly adopted, may be depended upon to make a decided change for the better in the matter of over-production and irregularity of employment. Repeating from previous chapters, these reforms include the following: (1) Municipal ownership of street railways, telephones, docks, and of water, gas, and electric lighting works, with national ownership of telegraphs and express business (parcels post). (2) National control of railway rates and service, or outright ownership if control cannot be made effectual. (3) Prohibition of clubbing of competitors by what few trusts may remain as monopolies after the tariff, the railroad, the corporation, and the patent laws have been thoroughly reformed. (4) Assessment at full value of all land, especially that held vacant by speculators, and taxation of incomes and inheritances—not so heavily as to discourage enterprise and saving, but heavily enough to prevent much of the nation's annual product from passing to those who have not rendered for it an adequate service to society. By saving to the people a large share of the excessive incomes now falling to stockholders in monopolies, and to other capitalists and land owners, these classes will have less to invest each year in railroads and factories not needed. That portion of the national product withheld from these classes the people will consume in additional railway and street car service at low rates, in additional commodities made cheaper by low freights and by reduction of tariff and of other taxation,

and in vastly better public schools, libraries, parks, hospitals, etc. Instead of a piling up of tools and of goods, which above the point of effective use involves a waste, the result will be a building up of the bodies, minds, and characters of men, women, and children, of which building there is now a woeful lack. There is a wide field for safe public gain in withholding monopolistic or unearned incomes; and there are immeasurable possibilities of the highest public benefit in a wise spending of taxes in the ways just indicated. To achieve inspiring results in this line, it is only necessary for a majority of the people to get a clearer understanding of economics, to vote honestly and intelligently, and to hold public officials and workers to a full earning of their pay by faithful performance of duty.

But Risk of Depression from Miscalculation of Demand Must Remain—from over-building, over-producing, and over-borrowing. Under such inflated activity, which extends to most or all occupations, inability of a few at first to sell their goods, and to meet debts falling due, brings the same inability to others relying on them, leads men to refuse credit and to curtail orders for goods, and eventually, by lowering prices and closing factories, brings widespread depression, not to be recovered from sometimes for four or five years. At first it is over-production of some commodities beyond the quantities wanted, but then, in other industries checked, there is under-production, and hence under-consumption for lack of purchasing power. Though each idle man would double his stinted consumption if he could get work, and would thus make a market for the goods other idle men might produce, employers in one trade do not dare to start their factories in the hope that employers in other trades will do so too, and thus give purchasing power for one another's products. The only future demand to be depended on is shown in orders for consumables from merchants, who are the best judges of how much their customers will buy, and is shown in orders for machinery from investors in new factories, who are the best judges in their respective lines of probable demand. The production carried on is for as long a future as promises a return exceeding the costs and risks. The best speculative judgment leads to as much storing at low prices as prospects justify. Depression is deepened and

prolonged by general lack of confidence, which displaces the usual readiness to take business risks. The tendency is for each merchant and manufacturer to narrow his business down closely to what he knows he can sell quickly. To induce people to buy, prices all along the line, from the raw material to the finished article, are lowered until but a shred of profit remains. A return to the normal level of liberal buying and producing is gradually brought about by a number of forces, including failure and disappearance of weak firms, settlement of debt, growth of population (making need for more goods), depletion of merchants' stocks, and wearing out of household furniture, buildings, cars, machines, etc. The return of business confidence in 1897,¹ over the commercial world, was quickened by rapid increase of the annual output of gold, which promised a gradual rise of prices and profits, instead of the previously expected fall, from use of gold increasing faster than its production. This matter of future change of prices by reason of change in the quantity and value of the metal used in standard money, is another uncertainty that will always have to be considered. In the single standard of gold there is perhaps the nearest approach to absolute stability of value that will ever be reached in this world of change—a value subject to no more uncertainty, perhaps, than there ought to be to induce people to avoid debts of too long standing.

Socialism Would Not Remove the Need of Foresight as to what and how much to produce, nor prevent loss from change of equipment and method in production, without bringing far greater loss by hindering progress. To get the varied and abundant supply of goods and services now enjoyed, society must have production on a large scale by machinery, in many separate occupations, extending by exchange over the habitable globe, and commencing on the raw material months or years before the finished goods are consumed. There seems to be no better system possible than that of the present for securing exercise of judgment and caution. For his own mistakes each business man must bear the chief loss himself. There might be some salaried officials under socialism who would try as hard

¹This subject is fully discussed in the next to the last chapter of the author's book on the trusts and the tariff.

to serve and please the public as to get wealth, power, or ease for themselves—there are a few such men now; but the local people, with personal interests to urge, would have reached preternatural wisdom and self-control if they permitted the officials to do what was really best for the whole commonwealth. Because of the immensity of the commercial field, an individual's building of a new factory cannot now seriously injure his competitors by lowering prices, nor drive any of them out of business unless his factory is best fitted to survive, and hence is required for society's good.¹ Freer international

¹**Starving Because of Too Much Food.** Mr. H. Gaylord Wilshire can shake off his fear of the great unemployed problem, which he expects the trusts to bring about within five years by making wages so low and output so large that production will be stopped by a glut of goods the people have no money to buy, and that hence the idle workers will starve because there is too much food. Employers now, whether trusts or individuals, do not make goods until they are first pretty sure of profitable sale; while in keeping wages unduly low, or prices unduly high, no trust can go far, no trust that is wise desires to attempt it to an extent of any consequence to a worker or consumer, and none of it at all will be possible if people raise their intelligence to the level required by our civilization. Falling prices and rising wages will carry off all the desired goods that can be produced (page 365), but to get them there can never be any other way than first to turn out labor or goods to exchange. If, as is often claimed, the American shoe factories could supply the year's demand in four months, the only remedy there ever can be is for some of the employers and workers to leave the business. They entered it and remained in it by choice, and they are free to leave it and choose any other trade, down to farming, in which they are sure of a living at least. That they do not leave it shows that the complaint is exaggerated, and that new men have not crowded into it unreasonably.

Speculation, of whose evils the socialists complain, is not confined to advanced competitive societies. The Filipinos and Spanish Americans know nothing of stock exchanges, but in lotteries and cock fighting they lead the world in gambling. Under our system of exchange, with goods brought from and shipped to all parts of the globe, speculators render the useful services of carrying the needed surplus (page 16), and of so forecasting a future scarcity that present price rises and thus, to meet the scarcity, checks consumption and increases production. This is better than having the scarcity come unprepared for as a famine, or than having unforeseen a ruinous glut. Public officials, not bearing themselves the losses nor obtaining the gains, could never render these services so well, nor so cheaply to society. After all has been done by law to protect from swindling, the many who now lose their savings by investing in worthless schemes, or on stock and

trade (page 454) would diminish the injury here, by spreading a surplus of goods over the world, and thus lowering prices the least, while carrying the benefit to the most. Even in a small local market the public injury from leaving enterprise to individuals is a trifle compared with the benefits. A new office building is rarely erected, to attract the doctors and lawyers from the old ones, unless the latter are inferior to what the town is entitled to, and are suited only to cheaper uses. In the easy starting of grocery stores, little capital is lost, the goods and shelving being readily salable in case of failure; and among buyers of some intelligence few of these stores survive long whose convenient presence does not result in real benefit to customers. Loss of employment to men displaced by machinery is becoming a small matter nowadays. Operating machinery becomes more alike in different branches of industry (branches multiplying into wide fields), so that men pass with little loss from one to another; and workmen now—unlike the hand weavers, who clung to their occupation though its dying continued through half a century—have mainly given up the old guild ideas of an exclusive right to a trade, and of a property

produce exchanges, must learn, if they want to be fitted for civilization, to carry and handle money amid the temptations of trade, as the country youth must learn when he goes among the fakirs on the circus grounds. The socialist's remedy is to return to the life of the tribal village, in which the people, as children, were not supposed to be capable of exchange, and little of it was allowed, or from scarcity was possible. That judgment seems over-charitable which (Ely, "Social Reform," 1894) classes under elements of strength socialism's claim that with harmonious production it will displace a system, planless, anarchic, chaotic, cruel. Besides the fatal and not denied objection, that with people sufficiently acquisitive to survive as civilized nothing approaching complete socialism could arise or continue,—socialism, even if successful, could not secure a better balancing of supply and demand. As American states gave way to a craze for canals (1815-50), incurring a half century's burden of debt, so, in estimating for a single family, a housewife will turn it against plums by canning too many; and any person, buying for himself alone, will strain resources to get some new fad, such as a bicycle, of which he is soon tired. A socialism giving cities and counties liberty to produce for market would not lessen present uncertainty. By taking away liberty of choice, risk of mistake would be lessened by having one central despotism, assigning work and issuing rations to each person in the whole nation. Risk would be lessened further by imprisoning people, and furthest of all by killing them.

right not to be impaired in one's skill (page 366), realizing that they have a right to their skill but not to another's need for it—that people would gladly and justly do without the coal miner if they could, as well as the doctor and the undertaker. In the growing desire and need to consume, employment is sufficiently guaranteed by nature. The people's part is to educate and inform the workers and all others how to take care of themselves, while preventing by law dishonest promoting and monopolizing.

Yet All Are Coming to be Socialists to the extent of factory laws, of close control of railroads and other corporations, and of public supply of many municipal and government services. On account of the monopolistic nature of these services, they must be controlled or conducted by government, to avert a heavy and growing burden on the people in the form of unearned incomes. Perhaps all the well known economists support this movement to some extent. Among the scientific thinkers Mr. and Mrs. Sidney Webb, and Mr. Hobson, seem to desire to go farthest, and to expect greatest results. There is but little risk here if a step is not taken until the people understand it and are ready for it, and if all its effects, including especially the indirect and remote, are justly weighed before taking the next step. In America, as already in Europe, public ownership may pass from electric plants and gas works to street cars, telegraphs, telephones, railroads, mines, and forests. Mr. Hobson thinks that the economies of large scale production by machinery, and the wastes of competition in price cutting meant to drive out rivals, will draw one industry after another into trust monopolies, until the welfare of society requires the government to take possession gradually of a number of them. Since wants increase indefinitely, and as consumption passes more and more to intellectual and artistic services, the field for individual effort would not be narrowed. It seems to most economists, however, that better laws for corporations, with tariff reform, and with public oversight and control of railroad and mine monopolies, giving impartial rates to all, would dispose of the trust question. After the people have done, through their local, state and national governments, the many things here mentioned that clearly ought to be done, they will know whether to undertake more.

CHAPTER XVII.

WAGE EARNING BY WOMEN

Does Working by the Wife and Children Make the Father's Wages Low, or must they work because his wages were already insufficient for the family's support before their work began, and would be low whether they worked or not? The trade union doctrine gives a decided affirmative answer to the first part of the above question, and appears sometimes to oppose work by women for wages, on the ground that men's pay should be high enough to support the women as formerly, apart from gainful occupations. Some even say that the father's pay is reduced by the full amount the others in the family earn. This doctrine rests on the same fallacy as the union argument for shortening the work day, and arises from a failure to perceive the *limitations* of the fact that wages depend upon scarcity of labor to be hired. That they depend upon such scarcity is true; but except when marginal profits are already high, it is true only so far as rise in wages is based upon rise in value of labor's product, which is what the employer buys. As a forced rise in price of product is seldom possible, having the effect to lessen demand or to drive buyers to other producers, a worker can only secure the highest rate of pay afforded by his product's natural price, and then turn out as large a quantity as he can. The earnings of his wife are a clear addition, excepting household loss occasioned by her absence, and the spending of them for the family adds to employment in general. If she did not work another woman would, from the thousands earning as little or less. A union of all the people in the trade could raise their wages only so far as their efficiency in turning out product value separated them from others getting less who might take their places. Where the wages fixed by natural price of product are unsatisfactory, there is only the old remedy of turning out a larger or better product, or of selling one's labor as it is

where it will bring more—at another place, or in another occupation.

But When the Wife's Work Causes the Husband to Do Less—to be more shiftless, and to depend on her for support—then it lowers his pay by lessening his product value, or by weakening his effort to get the best in positions and the most in wages. Unfortunately, this is often the case. Yet there is no soundness in the complaint that his wife's working crowds him out and forces him to keep house in her place. This is like the complaint as to idle men and busy children (p. 314). If a woman's product value is equal to his, or at her pay is worth more than his at his pay, he is either a poor worker or is in the wrong trade, and could not long get more than her rate of pay per unit of product, if not entirely displaced by the employer's preference for women's work because more suitable. The remedy is the same: he must work better, or find a job better suited to his capacity. The trouble is generally in his own will. The system of employing women, being already established in his trade, has no effect on his employment and wages, which in this trade remain unchanged whether or not, by refusing to work, his wife forces him to support the family. With a husband of this kind a wife must be careful never to bring in a penny to the family income so long as by expecting full support from him as a matter not to be questioned he can be kept busy. A self-respecting man able to work will not relax effort and depend on his wife, but almost any man may be spoiled somewhat by a wife that is too ready to wait on him (page 94). Many shameful cases of robust loafers living on the wages of wife and little children have lately been found in the factory law movement in the South, and many a man in England marries to get the wife's earnings. Local opinion, especially that of the working class, should frown on such men unrelentingly, and everywhere should require good reasons from men not at work who have wage-earning wives or daughters; while the present laws making non-support a criminal offense should be made more stringent, and the wife should be encouraged to make complaint of the husband who drinks up his own wages and throws on her the family support.¹ The fact that the town in which a man lives is

¹Louisiana's law of 1903 has been upheld, requiring, for non-support or desertion of a wife, imprisonment of the husband at hard labor. The

a woman's town is no excuse for his not working; let him find a man's town. Unwillingness of men to be idle, and of girls to leave home, forces men's and women's industries to develop together, with an equal distribution of the sexes. The need of new industries for men is now mentioned in some Michigan cities whose factories need more women. Textile mills have multiplied in the hard coal district of Pennsylvania, because in the miners' families were many unemployed daughters.

Where People Are Ignorant and Dependent, however, whether the husband be indolent or not, work at wages by the wife and children has always tended to lower the pay of the father. Instead of seeking from all the employers the highest wages their competition to hire help will induce them to pay, he meekly takes what is offered if it will support the grade of life to which the family has been accustomed. A smaller sum is made sufficient for him by the income from the work of wife and children. With such people as these, still numerous in Europe, it is true that wages depend on the standard of living. (Pages 258, 429.) But a worker of manly independence, which quality unionism might well do much more to teach, gets all his labor will bring—does so more energetically after saving money than before; and instead of relaxing effort when from poverty his wife must work, he strives then the harder, that her working may be only temporary.¹

number of children in Georgia cotton mills will be reduced by half, it is said by a law of 1903 for punishing those living wrongly on children's pay. But many deem the law a bad one, to stop the demand for a child labor law.

Mixing Cause and Effect. Even Mr. Hobson quotes in his book, with apparent assent, some figures from the characteristic argument of Prof. Gunton, who assumes that the wages of men in cotton mills are low because their wives too are wage workers, and that wages in building trades are high because the wives of men there devote themselves to home duties. Aside from some effect on the husband's industrial character, explained above, it seems hardly necessary to point out that marginal buyers do not want cotton goods at higher prices, and that hence the present number of cotton mills could not be run at higher wage cost per yard of product. But buildings, on the contrary, are worth enough to their owners to admit of high wages to carpenters, who get such wages because no men able to do their grade of work can be hired for less. The only effect the carpenter's high standard of comfort has upon the matter is to induce him to get, by union demand and by readiness to go elsewhere, all the pay the demand and supply will afford. Above that subsistence rate which the employer

The Sound Reason for Unionism's Objection to Women as Workers is that in their weakness and inexperience, and in the fewness of occupations open to them, they have submissively accepted wages making the employer's labor cost per item of product lower with them than with men; that is, they have

may find it profitable to pay for the sake of efficiency, either a standard of living or a union demand is as nothing when the worker has no access to better positions, and when hundreds equally desirable stand ready to be hired. Supply and demand in the labor market do not then admit of a change with him for the better. If cheaper builders could have been hired, almost without limit, as cotton operatives can be hired, buildings would have increased, and wages and prices in building trades would have fallen, until the wage conditions of the cotton industry had been reached or approached.

Work Belongs to the Cheapest Who Can Do It. There is nothing wrong in this. The cotton operatives employed last, women and all, are doing the most valuable work they can, both for themselves and for society, and have a right to the employment that lowers price and wages for all in the trade (p. 351); while the operatives employed first would have had no right to keep up prices and wages by securing a monopoly, through shutting new workers out of the trade, or the employers to do so by preventing the building of new mills. Only by means of a labor monopoly could men textile workers follow Mr. Hobson's suggestion to raise their wages by keeping out of the mills their women and children. The Connecticut machinist, who alone earns as much as his neighbor and family together in a cotton mill, would receive no less pay, if he did as much work and was as eager in his demand, though his own family went to work in the mill; while the neighbor, if he did no more nor better work, and perhaps regardless of his demand, would receive no more in the mill though his family ceased working and remained at home. It is the employer's right, and probably his duty, to have his work done by those people (already settled in the country) who, at usual and unforced wages, give him the largest net value for each dollar he pays them. The cheapest people who can do the work deserve to have it, both because they give most and are most in need of sympathy. No clerk at twelve dollars has a right to his job if a woman is preferable at six. But there is no need for concern. The woman would have been hired long ago if she were as desirable. The right to high wages (page 153), like the possession of them, arises from the utility and natural scarcity of one's skill. This is the case with all values. Cheap cotton cloth is a benefit to society, but it would be the duty of the operatives to let society lack cloth if in other work they could get higher wages. The poorly paid, least of all, should give to society free anything it ought to pay for. Excepting sometimes such services as preaching and teaching (done partly for other consideration than money), the highest pay in reach is proof that one's work done for it is that which from him society needs most.

been forced by necessity to commit against unionism the serious offense of getting work by taking less than the regular rate. Hence, union men have probably been no more ungallant than is excusable. Their opposition to opening an occupation to women has seldom been outspoken, or has involved toward them an attitude of outward unfriendliness.¹ The complaint has been rather passive, and directed against modern conditions of industry, instead of against the women themselves.

The Objection Soon Removed. Fortunately, in each of the many cases in which women have entered a new occupation, their competition with men has soon been removed by their drifting into and absorbing certain grades of the work to which they are best suited, and by the men's rise into grades higher and more remunerative. For instance, in retailing goods the ribbon and notion counters soon passed to the women, while the men remained as experienced and responsible heads of departments, and in charge of all work requiring bodily strength, such as selling carpets. The lady book-keepers took the easy positions, in small offices, and as assistants in larger ones, working without much responsibility under the direction of a man with experience, and with strength to bear the burden of care. Hence, over nine-tenths of the industrial field occupied by both men and women, the two sexes have different work, and do not compete with one another. The rule is men's work at men's pay, and women's work at women's pay. In the few cases where they do exactly the same work, their pay per piece is usually equal. In all the Birmingham trades many thousands of women are employed, but in no case do they do the same work as men. Where women working for less pay take away from men a branch of work, several new branches for men soon appear. (Webb.) The complexity of life arising from use of machinery has enormously increased the number of skilled workers required (page 376). It is in the manufacturing centres, where

¹At Oshkosh, Wis., in 1898, one important object of a large strike of unionist wood-workers was to force the employers to cease hiring women and children. In 1877 Cincinnati cigar makers struck successfully against employment of women. In England women are shut out "in some cases by organized opposition of male workers" (Hobson, 1894). Previous to 1886 the unions of English printers were hostile to women and refused to admit them.

machinery is used to the utmost limit, that high wages are received by the largest proportion of the people, not in the country market towns and distributing cities, whose business is but little changed from that of the handicraft era. Moreover, men have taken not a little work that was formerly done by women, especially in spinning and weaving, in dairying and fruit canning, in baking, washing, cooking, and waiting in dining rooms.

The Employment of Children Wastes Labor Power in a country, by cutting short their education and stunting their growth, thus taking from the total labor product of their adult life a quantity many times greater than what they produce by child work. Here, as in the case of women, unionism's objection is fallacious in its desire to make labor scarce, which effect also makes scarce the goods we enjoy, and the capital and buying demand that provide employment. The objection, though unsound, is excusable where by hiring boy labor an employer can displace men or lower their pay. But such a driving of men into new employment worth more is required for society's welfare in those cases where the work of boys, like that of women, is proper and unavoidable—where the work, unlike that of the skilled trades, gives a lower cost of production with low efficiency and low pay than with high efficiency and high pay. If the employer can clearly gain by hiring boys above sixteen years of age (in full compliance with factory laws and under the rise of boys' wages such a demand will bring), his work is boys' work, and boys ought to have it, not only for their own gain in good wages and that of the public in low prices, and for the gain of the trades whose goods the boys buy, but also that the men displaced may turn to work in which the pay is all earned, and is not partly charity nor dependent partly upon a withholding of dues from the boys and the public. There is not likely to be much trouble here for men who are good workers, and are not helplessly tied to one trade. The capable employer will hardly care to incur the trouble and loss of trying to operate with boy labor unless the boys are entitled to the employment.

Unionism's Opposition to Child Labor is producing good results in labor laws, and in the important matter of compulsory education, though perhaps it is but slightly based on the sound motive of so guarding children as to benefit them and society

by making the total of their life service as large as possible. Yet for this opposition there would be, and may be, good reason in desiring boys to grow up strong and resolute, so that they will demand through proper unionism the largest pay in reach, as those boys do who are trained in public industrial schools (page 323). Perhaps not many boys would regard the unionist as a friend for his part in keeping them out of factories by law, as they would regard him for his favor toward industrial education. But the desire of many unionists for strict regulation by law of women's work, with outright prohibition of it in some lines, can hardly spring from regard for the women's own welfare half so much as from selfish desire for the employment they take, and for removal of their competition in the labor market. Extension of such interference by law soon becomes tyrannous.

Is Wage Earning by Women an Evil? The first thought may be that it is, in view of their low wages, and of the tendency to leave them more and more to their own slender capacity for support. But the change brought about during the last thirty years, by the entrance of American women into nearly all the suitable occupations, is not so great as it appears. Did women before do nothing? Apart from towns having textile factories, their work then was not seen, being done within the household, except in school teaching, and in millinery shops; but it was harder than their work now, and at lower pay when done for wages. The development of manufacturing by machinery, with the accompanying growth of cities, made necessary the change in women's occupations. While population was yet chiefly on farms, and farming machinery was little used, women never lacked work. They helped in the fields in former times everywhere, and do so still in backward districts, even in America; while until recent times they spun and wove and made the household supplies of clothing, soap, candles, cheese, and other things. When this work was taken by factories, to be done by machinery with vastly better results in speed, cheapness, and quality, other occupation in its place was necessary for woman's development. Nobody can be idle, not only because of the need for support, but because idleness is irksome, and injurious to mind and character.

The Effect of Women's Work to Increase Society's Supplies. Moreover, people then had very few useful things, and with sparse population the struggle for such existence as they had was yet slow and easy. To produce the varied and abundant supplies now enjoyed, help from the women is necessary in many occupations. Various notions and articles of clothing could not be sold under higher prices in quantities large enough to admit of their production at all in factories with the high-priced labor of men. If women made them at home by hand, instead of in factories, they would earn less than factory pay, as do the home workers among the sweated, and society, especially the working class, would have fewer of the goods. If the peeling of potatoes had to be done by men at good wages, potatoes might not be worth raising. Women do not peel them cheaply that they may be raised, but do so because such work and such pay are for them the best in reach, and because nature has so adjusted the demand and supply of the different grades of ability, and of the different products, that wonderful harmony and happiness for all classes may be realized if people will only use their heads and hands as was intended. Without women's help, their work in stores and offices would be done by men taken from other employment. The latter's present work would have to be stopped to that extent, lessening the quantity of goods produced by men. The effect would be the same as if a farmer had to stop plowing two hours before noon to go to the house and cook his dinner. His labor would then cultivate less land, and produce less grain. He would have access to more work, as those unionists desire who oppose new machinery and oppose work by the unskilled (page 282), but he would have fewer goods for his pains, and so would all others with him, and less employment to others would his buying afford. Women behind the counter, and at the typewriter, release men for work that women could not do. With a smaller total product of any commodity to divide, every person's supply of it is diminished by its higher price, even miners and lumbermen, whose work is farthest removed from assistance by women. Only to the few people making the commodity does the higher price bring gain, and not to those among them on whom the necessary decrease of supply falls.

The Relief of Women from Dependence. Without wage

working by women the loss would be heaviest and most direct on the family having to do without the four to eight dollars a week now earned by a daughter—her work at home would seldom balance it; while the loss would be crushing on the daughter herself, whose supply of goods would be small in a poor family, and whose dependence on others would have a weakening effect on her character. Personal helplessness, as an element of refinement, added formerly (does to some extent yet) to the attractiveness of young women in well-to-do families, and promoted men's gallantry; but the poorer young women never escaped the necessity of work, and lack of opportunity to earn wages led them to marry at an early age, giving up hope of education, and gave them but little choice in selecting a husband. The rapid increase of population resulting, which was a benefit to society while the country was being settled, would now crowd people out on to the poorer land, and into the lower wages of poorer business, and would prevent the family training necessary to fit children for the complex industry of to-day. It is mainly the bringing by the poor of large families into the world, to grow up untaught into their parents' helplessness, that prevents poverty from decreasing faster. The present practice of young women, in spending a part of their adult life in useful work at wages, makes them purposeful, intelligent, and permanently independent, enables them to choose worthy husbands, and gives these invaluable qualities to their children; while it provides an honorable support for those who never have a suitable opportunity of marriage.

Why Women's Wages are Low is easier to explain, and involves less injustice, than is commonly supposed. Where they do not get equal pay for equal work—that is, where the wage cost per unit of product is lower with them than with men—a force much stronger than a sense of justice or sympathy, namely, the employer's motive of gain, tends to remove the inequality by giving the employment to the women alone. By falling price of the article made, their pay then becomes rightly adjusted to the value of their product; and to change that pay a woman must learn to work faster or better, or sell her work in another occupation in which its price is higher. No doubt there are many cases in which a lady teacher or book-keeper, or a saleslady, of *exceptional ability*, renders for less pay

as desirable service as a man's, being prevented from selling her work at full value by the inconvenience of proving to different employers what she can do, and by their assumption that she is not much better than the inferior average of her sex.¹ But

¹High Pay for Women of Ability. Her disadvantage here, by reason of her sex and its customary low pay, is removed in United States government clerkships, in which the grade of the position fixes the pay, making it the same for a woman as for a man if she is capable of holding the place. In public employment this seems to be a justifiable departure (usually questionable—page 412) from fixing wages at the rate of the market. Where a woman, as money order clerk in a post-office, does the work fully as well as a man, the excess in the fixed salary of nearly double what she could earn elsewhere the public can wisely allow as a contribution toward woman's economic elevation. Chances to secure such positions encourage women to become qualified for them, and may be so used, in wage bargaining with employers, as to obtain an approach to a man's rate of pay for similar work in private industry. As the woman's rate is thus raised toward the man's, the amount of the government's contribution falls. Though as a rule, in school teaching, and in the clerkships of cities and states, women get positions designed for them, both in duties and in salary, these positions have become so numerous, with others like them in private employment, and provide so well for the range of exceptional ability, up to its highest limit, that perhaps very few women, especially if active in seeking better positions, need now continue long to take less pay than their service is worth when accurately compared with that of men. In few cases will a woman's service prove fully equal; hence lower pay for her will be the rule.

The Influence of Custom in Keeping Women's Wages Low is that it leads them to submit contentedly to the situation, securing work by accepting little, without learning to turn out more product value, and without seeking to sell their work where its price is highest; and that it leads to a general feeling that such pay is proper for the support of a single one, with the result that the employer is not induced by conscience to assist women to be worth more (page 145), and that the public does not actively encourage them to greater efficiency and independence. A deplorable subjection of spirit among women, not including servants, exists generally in Great Britain. Their usual ten shillings a week (\$2.43),—settled as subsistence under the hard life of fifty years ago, and insufficient to maintain strength, with the many having no help from the home family,—a large employer told Professor Smart could be reduced to half, he believed, if local employers united for the purpose. That was doubtless an exaggeration, since those not partly supported could not live, and since the home families of the others would hold back their work rather than see it thus sacrificed. Among the dullest people in America, the country negroes of the South, it is unlikely that their wages on farms (already down to a coarse subsistence) could be

cases are probably rare in which men continue to be employed where the *average* woman, at lower pay, is fully as desirable, and can be employed in sufficient numbers.¹ In the North Carolina dry goods store in which 4 women employed at \$4 each per week were said to be equally efficient to 4 men employed at \$11 each per week, the men were doubtless necessary to take care of the management or the heavy work, or were kept for their command of custom. In other words, the equal efficiency was in one or a few lines of work, such as selling dress goods, and did not amount to equality in net desirableness. Not many employers would pay one person \$11 for what could be bought at \$4 from another person more deserving.

The Rate of Pay is the Same in Piece Work among weavers in textile factories. In 56 American cases women earned 8 per cent more than men; in 195 cases men earned 17 per cent more; in 36 cases the average was the same for both sexes. In 29 cases in 21 cotton mills, 753 women averaged more each than 585 men; in 99 cases in 43 mills, 3,015 men averaged more each than 5,560 women. In cotton weaving in Lancashire, as far back as 1824, men and women have done the same work, at the same piece rates, some of the most efficient women earning more than the average of the men. In 1886 the average was about the same for both sexes. The case is the same with weavers in France; and is the same in various piece rates of British textile factories in which both sexes are united in their demand by one strong union. It is a lack of this union demand, with readiness to strike, or a lack in unionism's absence of a readiness to seek better districts, that holds so many British

appreciably lowered without driving them to other communities, or into idling and stealing. In most districts their access to railway and mine work has raised their pay from the old stagnant basis of bare subsistence (perhaps falling in money as food prices fall) up to a live basis of labor demand and supply.

¹Prof. Smart says the Prudential Insurance Company of England, in 1891, had 243 women who did routine book-keeping *better* than men, and at about half the men's pay. He says there are many such women in British government offices. They are content with low pay because of the gentility of the positions, and do not try, by offering their service to many employers, to get its full worth. Women are so unready to leave home that their pay on one side of narrow Scotland is fifty per cent lower than on the other side.

women to ten-shilling wages, and to the dull inefficiency that the vicious circle of such pay confirms.¹ By a Massachusetts report of 1883 women's wages in 24 manufacturing industries averaged 51 per cent of men's; in England this average has lately been only 41 per cent. Actresses are sometimes paid more than actors, by reason of the scarcity of the former, and of their sexual attractions. Among novelists women are paid, it is said, as high as men. In a few American cases, at piece work, women have earned more than men in making cigars and paper boxes, and in stitching shoes; but generally the men whom they excelled were of the second and third grades of efficiency. The classes of cases here mentioned are probably

The Importance of Unionism to Women. Professor Smart thinks that if the well paid women weavers in Lancashire became separated from the men's union the former would accept less pay, and that soon their wages would fall to the low level of other women workers, and the men would leave the trade—skilled women workers in England being paid very little better as a rule than unskilled. But as the women workers have skill not possessed by others and not easily acquired, very little risk of losing their positions, it seems, would be involved in a collective demand by the women alone for the full rate. Most of this rate might perhaps be obtained by individual demand, if made by many of the women and supported by readiness to leave. Mr. Hobson tells of success in united demand by the women of single factories.

Women's wages in British cotton, woolen, and hosiery trades rose 42 per cent between 1860 and 1890, while in the trades not unionized and less skilled the wages of women fell, remained stationary, or rose but little. Among employers of low social grade there have been many cases of discharge of women for joining unions. London match girls at starvation pay were locked out in 1889 to force them to retract a published statement that was true. The indignant public took up the contest, which grew into the famous strike of dockers. Many separate unions of British women have failed since the first appeared in 1874, but enough have survived, though small, to make the results considerable. Women are now less afraid, and the will to organize is useful otherwise. (G. Drage, "The Labor Problem.")

In America unorganized women have struck occasionally, and by the diligent organizing of 1901-03, in the brisk demand for labor, unions composed of women alone have been formed in Chicago with a membership reaching 30,000. Nearly every one of them has raised wages 10 to 20 per cent, besides shortening the day in some cases and improving conditions. With some of them strikes were necessary, being bravely persisted in by poorly paid women as long as six weeks. Scrub women secured a rate of 18 cents per hour and an eight-hour day. Box makers and street car ticket sellers were also quite successful. (*American Federationist*, Aug. 1903.)

about all in which women are equally efficient with men at the same work, and get equal pay.¹

Where the Difference in Pay is Large it is based on clear difference of labor value. An employer would not hire men if women's work at half the pay would answer as well. In British cigar factories there are cases of men getting 4 to 5 shillings per 1,000, with women in the same room getting but 2 shillings. The women make an inferior grade. In a large printing house of Massachusetts in 1883, women were paid only 29 cents per 1,000 ems for type-setting against 39 cents for men, because the women worked an hour or two less per day, could not set up a book quickly, could not handle bad copy or complicated matter (for lack of experience and ability), and required more waiting on than men. Rent for extra space and interest on capital in extra machinery, together with extra cost of superintendence and book-keeping, would prevent an employer from paying 300 women a piece rate as high as that of 200 men, doing the same amount of work. In Edinburgh women type-setters get a little over one-third of the men's union rate, being employed in small shops, on cheap and easy grades of work. In time work the inferiority of women's pay is marked, being based on the low average of their sex, and not giving swift workers the chance they have under piece work.

¹Much of the information in this chapter is taken from an article by M. B. Hammond in *Political Science Quarterly*, Sept. 1900; from an article by Carroll D. Wright in *The Forum*, July, 1892; and from Sidney and Beatrice Webb's book of 1898, "Problems of Modern Industry."

Among New England textile workers the men have strong unions, to which, at some places and in some lines of work, the women belong also. Cases are most numerous in the South in which women earn more than men, and the excess of earnings by men there is smaller than their excess in New England. This may be due to the absence in the South, the industry being new there, of a settled factory class with a custom of lower wages for women; to equality as to unionism, neither sex being organized; to the stronger demand necessary there to establish among women the new occupation of factory work; and to greater adaptability of women for textile work where the men are wholly inexperienced. Wages per day are lower in the South, but labor cost per spindle is somewhat lower in Massachusetts.

How Much Men and Women Earn. An Ohio report for 1901 shows that, on the average each, per week, 6,920 women, in the three largest cities, earned \$4.83, worked 57½ hours, paid \$2.44 for board and lodging, and saved 14 cents—the number depending upon them for support being 1,606.

The Reasons Summarized for Lower Wages to Women, where women and men do work of about the same kind, include the following: 1. For lack of physical strength women's work is less in quantity, less to be depended upon (by reason of sickness), less suitable for hurrying, or for assigning to other than the routine in time of slackness or emergency. 2. In the looking forward by women to marriage, an occupation by most of them is felt to be temporary, and hence is not learned or fol-

In 1900, in 87 industries of Massachusetts, of the grown women in wage earning, 17 per cent received under \$5 a week, 16 per cent \$5 to \$6, 20 per cent \$6 to \$7, 15 per cent \$7 to \$8, 12 per cent \$8 to \$9, 9 per cent \$9 to \$10, 7 per cent \$10 to \$12, 3 per cent \$12 to \$15, 1 per cent \$15 to \$20. For the men the respective percentages were reversed, being only 4 per cent in the class under \$5, 4 per cent for the next, and then 7 per cent, 10 per cent, 14 per cent, 16 per cent, 18 per cent for the class \$12 to \$15, then 14 per cent, and finally 4 per cent earning over \$20. In no other state, perhaps, excepting far western states having very few workers, are average wages higher for either sex. In 1901 percentages upward were a fraction larger.

Wages in Different Countries. In 25 occupations, consisting mostly of skilled trades but including common laborers, the average daily pay in leading cities was found, in a careful investigation by the U. S. Labor Department, to be as follows: In the United States, \$2.20 (gold) in 1870, \$2.34 in 1880, \$2.53 in 1890, and \$2.46 in 1896. In Great Britain these figures were \$1.30, \$1.37, \$1.42, \$1.49. In France (Paris) they were \$1.06, \$1.21, \$1.31, \$1.33. In Belgium (Liege) they were 59½ c., 62c., 63c., 66c. The highest daily pay was \$5.99 for railway engineers at New Orleans in 1896, and \$4 for masons at New York, the latter earning \$1.69 in London, \$1.54 in Paris and 71c. in Liege. (*Labor Bulletin* No. 18.) New York masons now (May, 1903) get \$5.60, and carpenters \$4.50, per day of eight hours. Mr. Giffen estimated in 1893 that a fourth of British male workers received less than \$4.87 a week. After Belgium, for low wages, come Italy and Russia, and finally China and India, where carpenters earn 25 to 40 cents a day and farm laborers about ten cents (page 135).

Women's Wages in the Past. In English cotton mills (Lancashire), in 1886, 11 per cent of 67,843 females working full time earned under \$2.43 a week, and only 12 per cent earned over \$4.87 (less than 1 per cent over \$6.08), the average being \$3.20. Since then these wages have risen 10 to 20 per cent. Cost of food is much higher in England than in America, but rent is cheaper, and common clothing costs about the same. In 1833, when food and clothing cost more than at present, the average wage in Scotch flax spinning, for women 18 to 25, was \$1.42 a week—\$2.70 in 1896. In Belfast these figures were only \$1.05 and \$2.09. (*U. S. Labor Bulletin* No. 17.) In 1894 London sack sewers averaged \$1.15 (one earned only 27c.), and Luton straw plaiters \$1.09.

lowed with zeal, while to a man it is his life work, and his one source of success; this makes women's work inferior to men's in quality, and makes the worker an amateur rather than a professional. 3. But a greater effect of this lack of skill is to turn the women into easy work on grades of product of low value, such as cheap shoes and underwear, and to such simple processes as folding circulars and pasting on labels. The products of these kinds of labor may not be largely wanted at higher wage cost per unit; and if they were wanted, the pay could not be raised until fewer women stood ready to do the work at the low rate. Over-supply of women workers is continued by the impropriety of their leaving home, and the lack of means and capacity for doing so, besides their special reluctance to talk freely to one another of work and wages, and their special unwillingness to get more pay by turning to work less genteel. 4. Hence, the low pay of women is due also to their submissive acceptance of what is offered, a necessary attitude at first in their knocking for admission to kinds of work new to them; without having other kinds as good to fall back upon. This, with other reasons, has prevented their forming unions for better bargaining on wages, leaving each to deal singly and unaided with the employer. 5. For these reasons, not being a voter, and not having the social standing that is usually necessary to call out men's chivalry, the working woman has had to give way in her wages to the employer's profits. A ten-hour day for factory women and children was secured only by law, while men, in their own trades, had secured it long before unaided. 6. A lower standard of living among women, based partly on physical weakness, and continuing down to the present from their utter subjection in barbarous ages, enables a woman to live on lower wages than a man and still keep up to the level of her class—still be able to work satisfactorily for the employer, and not be regarded by the public as one whom it must at once assist. She eats less (but would gain strength and money by eating more—of meat, not cake), and is expected to learn less, do less, and accomplish less in life, seldom being responsible like a man for the support of others. This contentment with little, which checks striving for more, is added to, in its effect to lower wages, by such assistance as free board and gifts of clothing and money, received by many a working girl

from her family or friends. The more she is thus assisted, the lower the wages with which she can get along. 7. Women are less desirable to hire because, as a rule, they must do routine work. They lack the business grasp necessary for management, and the ability to superintend others. This fact reduces their bargaining power, and keeps down their wages, by diminishing the positions to which they can rise. Women must also have more considerate treatment than men—neater quarters to work in, a better class of fellow workers, less driving, and more assistance in many ways. Hence, in net advantage their work is usually lacking unless obtained at pay much lower than that of men.¹

The Remedies for Low Wages to Women differ but little from the remedies for low wages to men. Most depends upon the girl herself, counseled by her parents and friends. She should turn her thoughts in school while young toward the occupation for which she seems best fitted. By determining not to marry until about twenty-five years old, unless an especially good opportunity occurred, she might so concentrate her purpose on her work as to become highly efficient by the age of twenty-one. Then, by deserving and watching for the best positions in reach, she might earn good wages for several years, and if not married might make her life a creditable success industrially. If born with talent or business capability, she might reach high attainments, as many women are now doing in many occupations, some of them as independent employers. If not thus endowed, she would still get the most from the capability she had. With many of the girls who fail to hold positions, the reasons are lack of training and deficient education.

Women Workers Should be Preferred by Public Opinion, it seems (which now fully recognizes the propriety of their being wage earners), in all work that they can do with an effi-

¹**Reasons for Hiring Women.** The inclusive one is that their labor is cheaper per unit of output in their kinds of work. Reasons into which this one may be divided are that they are more easily controlled, are less liable to strike, do not drink, are neater, more careful and polite, and better adapted to the work, and that more of them are ready to be hired. Some employers say also that women learn more quickly, and are more industrious and rapid. This is doubtless true in their special kinds of work.

ciency approaching that of men.¹ Growth of demand for their services, a growth to be promoted thus by public opinion, comes next to a woman's own zeal and efficiency as a force for raising

¹Choosing Work Others Do Not Want. It seems also that public opinion should discourage the practice by which some girls from well-to-do homes get pocket money by temporarily doing work in stores and offices at low pay and in amateur style, thus lessening the employment, wages, and desirableness of girls who must wholly support themselves. Far from being idle, however, the former should develop ambition and character by taking up work artistic or otherwise difficult, and not within reach of those by whom the ordinary work is needed. When desiring to teach, they should enter the higher fields requiring expensive preparation. This is an idea of Mrs. Van Vorst in "The Woman Who Toils." It applies also to men of talent and opportunity, though usually they are led by ambition as far upward in difficulty as they are prepared to go. Such a man, desiring conscientiously to do his best for society, and to compete the least with others less fortunate, should start a new industry needed, or improve an old one that was backward. But, as Mr. Hobson points out, in refutation of Carlyle, Ruskin, and the Christian Socialists, it would be unsound for such a man, even if he were financially able, to consider society's good by refraining from securing money profit for himself. Excepting various kinds of teaching, supplying anything not fully paid for involves the waste and blight of common charity. Though the love of money is the root of all evil, it is about as essential in society as the force of gravitation is in the universe. Gravitation causes evil too, in the crashing of trains and sinking of ships.

The Proportion of Women Desirable to Employ is Fast Increasing in some portions of America, in the growth of underwear and clothing manufacture by machinery, especially of garments for women and children; and in many kinds of business, change of process is making more employment for women, besides larger openings for them in unchanged occupations they have recently entered. In Minnesota manufacturing, during ten years to 1900, men wage earners increased only 5.3 per cent, but women wage earners increased 73.3 per cent. Doubtless many new factories employing women had been established. In the whole country the difference was many times less, these figures being 23.9 for men and 28.3 for women. In the United States, in 1900, 18.8 per cent (17.0 in 1890, 14.7 in 1880, 13.14 in 1870) of all females over ten years of age were engaged in gainful occupations—5,313,912 in number, who formed 14.3 per cent of the total female population of all ages, rising from 12.7 per cent in 1890. Of the total, both male and female, in all gainful occupations, the females rose from 14.7 per cent in 1870 to 15.2 in 1880, 17.2 in 1890, and 18.2 in 1900, the proportion of males decreasing in each period accordingly. In manufacturing, of the total for both sexes, the females rose from 14.4 per cent in 1870 to 18.5 in 1880, and to 20.2 in 1890, but fell back to 18.5 in 1900. In 1900, 39.4 per

her wages. Perhaps in such work the women, by reason of their lower pay, will generally be preferred by the employer

cent of all women gainfully occupied were in domestic service, against 42.6 per cent in 1890, and 44.7 per cent in 1880—such a decrease as might have been expected in the prevalence of the servant problem. The percentage in manufacturing fell from 26.3 in 1890 to 24.7 in 1900, which fact, with the increase of the total percentage, indicates the entrance of women into new lines of work. The 126 women classified in 1900 as plumbers, and the 196 as blacksmiths, were probably office help, though work by women in mines, prohibited in England sixty years ago on grounds of morality, still continues to a small and decreasing extent in Belgium. Women as barmaids are still common in England, as in Europe generally, and in the sweated chain and nail making of England not a few women still handle the grimy iron. But in English farming employment of women and children has nearly ceased, and it is decreasing in Scotland. By Massachusetts labor reports, covering 4,473 factories, in 75 industries, the females were 33 per cent of all employees in 1885, and 33.45 per cent in 1891; from 1865 to 1875 the increase of percentage was 7, but from 1875 to 1885 the increase was only 2. In cotton manufacturing, females were 55 per cent of all in 1885, but only 48.2 per cent in 1899. In Lowell cotton mills they were 79 per cent in 1835, but 63 per cent in 1893. Of all gainfully occupied in Massachusetts females were 22.13 per cent in 1870, 26.08 in 1885, 27.12 in 1895, and 27.23 in 1900. The females gainfully occupied were 17.03 per cent in 1870, and 22.88 per cent in 1900, of all females of all ages, the percentage in 1900 being 18.72 for natives and 31.77 for foreign born. Of all females occupied in 1900 the married were 11.72 per cent. Of those over ten years old, in 1900, 80.13 per cent of males, and 28.14 per cent of females, were industrially occupied.

In the ten leading groups of British manufacturing industries the women in number were 45 per cent of the men in 1841, 85 in 1861, 93 in 1881, and 92 in 1891. In Great Britain the percentage of women at work for gain remained about the same in the total for all occupations from 1881 to 1891, indicating that there the change from household to factory production is completed. Out of every 100 females over ten years of age, the number industrially occupied was 34.05 in 1881, and 34.42 in 1891—just double the percentage of the United States in 1890. The percentage of males fell from 83.24 to 83.10, that of the United States being 77.3 in 1890. (*U. S. Labor Bulletin* No. 1.) In England and Wales, in 1891, of every 100 females between fifteen and twenty, 68.6 were engaged in some gainful occupation. In 32 cities the number ranged from 68.8 up to 95.3. In all gainful occupations the women are 22.3 per cent of the men in the United States, 36.7 in England, and 54.9 in Austria. (*Am. Jour. Sociology*, March, 1903, p. 702.)

A Decrease in the Number of Married Women Employed in British factories indicates higher wages to husbands, and better support from them.

himself; but a ready public approval may be materially, useful in overcoming natural prejudices against change, and in lessening the trouble of giving to women the positions of men who ought to be doing more difficult work at higher wages. This attitude of friendly encouragement toward women workers, evincing hearty respect for them in their praiseworthy progress in practical usefulness and self-development, is all the assistance they need. It is harmful to them—**weakening** their self-respect, lowering the quality of their work, and tending to pauperize—to dwell on their woes, and to become too solicitous for them in a charitable way. The best safeguard of the woman worker is her own sense of independence¹ and personal responsibility.¹ As society cannot furnish her a chaperon, it must not

Employment of married women in factories causes bad homes and neglect of children; but except in unsuitable trades, forbidding such employment by law, considered by Connecticut in 1894, would be less desirable than action by public opinion (page 469), together with laws punishing husbands for non-support. Forbidding factory work by married women would also make harder the lot of married women compelled to work for hire, would increase wage-lowering home work, and would lead to concealment of marriage and to concubinage. The latter result is said to have appeared in the British and the American postal service, from the rule not to employ married women. This rule is justified in these cases by the need of self-supporters for good positions (page 477); also by the fact that the high pay would tempt the husband to depend on the wife, and the latter to neglect her main duty of home making. In a number of British cotton factories, in 1894, out of a total of 176,456 females employed, 4,841 were widows, and 34,150 (19.4 per cent) were wives. But working wives were most numerous where wages were highest, following factory work for life for the sake of a larger living. It is the more abundant support of Americans, and the residence of so many of them in farming states, that makes the percentage here of women working for wages (or engaged in business) so much lower than in England, though our percentage increases as the country grows older and industry more complex—a fact shown above in the approach of Massachusetts percentages to those of England. Of all women gainfully occupied in America in 1890, the married were 13.2 per cent.

¹Mary E. Richmond, "Handbook of Sociological Information," edited by W. H. Tolman, 1894.

Sympathy Must be Given Guardedly.—"It would seem at times as if the workshop meant only a form of preparation for the hospital, the workhouse, and the prison, since the workers therein become inoculated with trade diseases, mutilated by trade appliances, and corrupted by trade associates, till no healthy fibre, mental, moral, or physical, remains." (Helen Campbell, *The Arena*, July, 1893.)

In this strain runs the thought of socialists of all grades, and of many

lead her to need one. From her own family a girl intending to be self-supporting should receive as little aid as possible in money or direct support, but rather assistance into good positions, with encouragement to make her best effort, and to take pride in success. Partially supporting her causes her to remain a child—to give up helplessly to inefficient work and low wages, and to get in after life a poor living if not married before her partial support ceases. Kindness to the extent of much giving or helping, as in free board or continued supply of clothing, or in shielding from the responsibility of wage bargaining,—is pauperizing to any who are supposed to be self-supporting, even to one's own children unless they are strong and ambitious in character. The growing change in the ideal of parents, by which they strive to fit daughters for honorable self-support, rather than to save money to leave them as an inheritance, has a beneficent effect, both upon the daughters and upon society.

In Enacting Laws to Preserve the Health and Morals of women in factories and stores—to prohibit unreasonable hours of work, to require seats for resting, and clean, well ventilated work rooms—public opinion in some states has yet much to do. But making such laws for women that are not to be applied to men must be done judiciously, to avoid lessening the desirableness of women as workers, and thus lowering their pay. As

preachers and other reformers who, in emphasizing sympathy and conscience, let warmth of heart get the better of coolness of head, and thus fail in the God-given task of getting understanding, with all their getting, instead of heedlessly or indolently assuming that certain ideas are right because they seem kind and religious. One going out to work in the mood of the above quotation is foredoomed to failure, like a child going out on ice in a trembling fear of falling. Fortunately, there are few workers, including women and children, who do not resent a sympathy that implies inability to do their work and take care of themselves. Boys and girls of worthy ambition are eager to go to work, and are proud to be seen in the workers' ranks. Not many of the few who seek higher education regard their working as other than a stepping stone. Only a small percentage of all workers differ materially in self-sufficiency from electric linemen, whose work in zero weather evokes not sympathy, but admiration for their splendid vigor and courage. The large additional regulation by law that is needed for dangerous trades might do more harm than good if so applied as to weaken self-reliance. One possessing this quality will usually fare better in bad conditions than another without it will fare in good.

they become more intelligent and capable, they will be better able to take care of themselves. Public opinion can encourage them in this, and can show in business patronage, with considerable effect, approval of employers who voluntarily treat well their women workers.

Learning How to Get the Highest Price for Her Work is to a woman an especially important part of the process of mastering an occupation. This means that, not in place of doing their best work, but as supplementary, women workers should act together for mutual advancement, steadfastly refraining from getting positions by willingness to take lower pay, and combining where practicable into formal unions.¹ They should be

¹**Women in Trade Unions** are found chiefly in textile manufacturing, both in England and America. Outside of this great industry, in which the two sexes are most evenly matched in efficiency, and outside of the garment making and shoe industries, and of clerking in stores,—few women are in unions with men, and the unions composed of women alone are few and small, though the total number of women unionists has been fast increasing in the spread of unionism during the last three years in America. The reason is, not that men now deny them admission and try thus to exclude them from the trade, as men were long disposed to do, but that women are unable to earn the high union rate, and hence must do a lower grade of work than men, getting less pay usually than men non-unionists. The London union of printers decided in 1887 to admit women, but only one woman joined in the next ten years. The case is about the same with printers' unions in America. Women are welcome to join, especially where they might take the work of unionists, but except in small cities, where the regular union rate is low, the women cannot do as type-setters the work of union shops, while the union pledge would prevent them from working in other shops, and thus shut them out of a union town. Unions of women alone, somewhat rare as yet, may be expected to increase. Organization of women has long been actively encouraged by the American Federation of Labor. Unions of servant girls were organized in 1901-3 in Chicago and some other cities. In this occupation, without unions, women are the most independent of all workers. The demand for help exceeds the supply, the service being socially objectionable; and the servant is not only a better bargainer as a rule than the lady of the house, but by her leaving can inflict more damage than the lady can inflict by discharge.

In 1901, 144 British unions included females as members, the total of them being 120,078, or 6.2 per cent of the total membership of all British unions. Only 28 unions, with 8,285 members, consisted of women alone. Of the female unionists 89.9 per cent were in the textile trades. In the state and city of New York, in 1903, women in unions numbered 16,302, being

on the alert for chances to have their wages raised, to get better positions, and in some cases to pass into higher occupations. Many native New England girls have risen from the factory to be teachers, book-keepers, etc. Factory work there long ago passed chiefly to foreigners, who in turn have also been rising to better occupations (p. 376), the Irish giving way to French Canadians, and the latter now giving way to Armenians and Greeks. In many cases, no doubt, desirable women workers might so draw on the competition of employers to hire them as fully to raise their regular pay, where it is now lower, to the level of the pay of men doing the same work, in proportion to the respective value of service rendered. The new ideal, that a woman should strive self-reliantly to make the most of her life, will lead an increasing number of them to approach a man's standard of mental and industrial efficiency. In four of the Rocky Mountain states—Colorado, Wyoming, Utah, Idaho—and in Australia, woman's full enfranchisement as a voter secures for her more recognition as a worker.

Home Making and Rearing of Children must continue, by nature and common sense, to be the calling of most women. But it is well that in their growing freedom of choice those women called by ability or circumstances to other pursuits may obey the call effectively, and thus benefit society. These may easily equal or surpass men in efficiency, and many who later marry may do likewise if they have talent, since for good work by them long experience is often unnecessary. While the married woman *should* be careful not to tempt the husband to depend on her income,¹ and should not lower the wages of self-supporting women by doing home work for pocket money at less than full rates, it is nevertheless desirable for her to be prepared to get a living in case of her husband's sickness or death, or of his being too drunken to be worthy of her sacrifice in continuing to live with him. Such preparation, which is

4.5 per cent of the total, 357,234. They are 25.4 per cent of all in garment making, 44.1 per cent in textile trades, and 21 per cent in tobacco trades.

¹By a New York law a man must share his wages with his wife, but she may choose whether to share hers with him. This and other similar laws are necessary to complete women's emancipation from servitude reaching back to that of the Indian squaw, who does the hard work, almost as a slave.

hardly less useful in independence after marriage than before, is one good effect of wage earning in early womanhood, and it comes also from the married woman's capable management of a household. The working by women in stores and factories, instead of in the home as formerly, will not antagonize but will promote home life and civilization, if here, as in other changes due to invention, people learn to avoid the bad results and to secure the good.

To Regard Self-Support as an Advance of Womanhood, not viewing it as a necessary but deplorable evil of these latter days,—is another duty resting on society, a duty which thoughtful minds take pleasure in recognizing. For an advance of woman self-support really is, similar to the advance of a slave

The Well Supported Girl Who Works by Choice. Mrs. Van Vorst is being quoted as teaching that a girl who works by choice, when her parents are ready to support her, is a snob, prompted to work by vanity in a desire for better dress and more luxuries; and President Roosevelt's introduction to Mrs. Van Vorst's book is being construed as endorsing this idea, on the ground that a woman's highest mission is to be a good wife and mother. But to prepare for fulfilling that highest mission worthily—to make the most of her possibilities as a wife as well as a spinster—nothing is so effective as purposeful (not frivolous) wage earning in early womanhood, when some attention is also given to housekeeping with a view to marriage. It is not that marriage may be avoided; unless special talent fits her for a professional life, but to improve her chances, that a girl chooses by working to dress better and to have money and capability of her own. This choice is preferable to the animal method of relying passively on the attractions of mere sex, and, in view of the independence gained, is now preferable to the good old way of winning a husband with household industry and a stock of bedding and linen. Because of woman's having been compelled for ages to rely so far on sex for a living, Mrs. Stetson ("Women and Economics") reasonably believes that sex became unduly important, with the result that by abnormal passions society has been cursed immeasurably. Discussing this thought, W. M. Salter (*Atlantic*, Jan. 1902) says if woman could support herself, and hence be attracted to man in the natural way, without having to depend on that attraction for a living, she and her descendants might in time become normal healthful beings, no longer subject to ungoverned passions. Moreover, women have not developed efficiency because their work has been done in the home, not in competition for people who could choose the good and reject the bad.

The fallacy of the idea that, to leave more work for the poor, no woman not compelled to support herself should engage in wage earning, has been set forth in this chapter, and is further discussed in the chapter on prison labor.

when set free. As the risks of self-direction must be taken with its gains, self-support is a necessary accompaniment of release from a subjection that was somewhat degrading to all women not specially attractive, by reason of wealth or personal charms. As previously stated, most women, before wage earning with them became a custom above the humbler class, had too little liberty to decline a proposal of marriage. Marrying for the sake of a living, which then was very common and is too much so yet, has been called a kind of prostitution. Unreserved acceptance of one another for better or worse, with the centering of all hopes in the family, made then, and makes now in Europe where matches are formed by the parents, an average of domestic life far happier perhaps than that of the present easy divorce period in America; but nevertheless, the purest elements of companionship, in the holiest sense, are most likely to exist where the woman accepting a marriage proposal has other means of support. By a return from the light regard in which marriage is now held by many, to full recognition of its sacredness, and by further growth of the sentiment that an educated and skillful woman is to be preferred as a wife, the race will be recruited in larger proportion from its best elements.¹

In View of All the Facts stated in this chapter, it will be seen that the entrance of women generally into gainful occupations is a necessary step in their own and in society's progress, that there are good reasons for the low level of women's wages, and that sure means are at hand for overcoming the disadvantages in which women are at first placed by the change to wage earning.

A Solution of the Servant Problem. Sensible public opinion, even in the most conservative communities of the South, has established the propriety of wage earning by women. In the towns and smaller cities of the North, young women now seem to incur no loss at all in social standing by reason of their working in stores and offices. To such work has been extended, but hardly yet to work in factories, the respectability of teaching.² Among those in stores and offices are not a few of

¹See Carroll D. Wright's article previously cited.

²Marion Harland gives in *The Independent* of Jan. 23, 1902, some recollections of the time when teaching and sewing were the only respectable occu-

the most attractive young ladies in the community, including some from well-to-do families. Many of them are socially advanced by their working, which not only provides money for tasteful dressing, but gives, through contact with others, education and refinement.¹ There is another badly needed service which ruling public opinion might render to American society. This is nothing less than to settle the servant question. The chronic complaint regarding it is useless. The reason of the trouble is no mystery, as has been pointed out repeatedly in magazine articles.² Girls take work in stores and factories, at wages barely large enough to live on, in order that they may be off duty in the evening, and may escape being looked down

pations for a woman of some gentility, and these only when there was no male relative to support her. "Many a young fellow resigned all hope of home and independence for himself, because his sisters and his cousins and his aunts looked to him for maintenance, and clung to him as barnacles to the hull of a ship." Was not that a demoralizing dependence, and a blind waste of women's power to work? Miss Collett, an English authority, urges the opening by public opinion of new occupations for middle class women who fail to marry and have not been educated for work. It seems that the field of genteel occupations is narrower in England than in America. In England there is more effort to keep up the style of one's class, with both women and men.

¹**It Was Not Gainful Occupation That Made Women Mannish**, but their having to force recognition of their right to be physicians, or to take other new lines of work. When their right to an occupation is acknowledged, they lose by following it none of their charms. Miss Sophie Becker, an organizer at Chicago for the American Federation of Labor, said in 1903 that "the working girl now marries younger than ten years ago, and her chances are very much better." This statement is gratifying, indicating that working brings her now into less disfavor with men. Mrs. Van Vorst's statement, that the working girl is more and more unwilling to marry, is gratifying also when the reason is that she values herself more highly, and hence is more careful in her choice, but is not gratifying when she objects to home making, and continues to work for the sake of dress and style. The national labor department's report of 1888 said that women's chances of marriage were increased by their working. The fact that now a larger proportion of women fail to marry than was the case formerly is partly a cause for their working, in having to depend on self-support, but is also a result of their working, in not having to depend on a husband.

²An excellent article on this subject, by Rev. Alden W. Quimby, appeared in *The Forum*, June, 1901; another by Inez A. Goodman in *The Independent*, Feb. 13, 1902.



upon as menial servants. Can they be blamed? Is not a young woman's social standing regarded as more important than the snug home and full table she enjoys, or than the little money she can save? And can any person have self-respect, essential for command of respect from others, unless his ability for firm assertion of independence is evident, in the background at least, and unless he avoids, when not making sacrifices for high principle, the blighting effect of being looked down upon? Now it seems that an object lesson applicable to this question may be observed in the occupation of nursing. It too was menial not long ago. But heroines, like Florence Nightingale and Clara Barton, raised it to a noble profession, to which some of the choicest spirits among the daughters of men now devote themselves. Is there not a similar call for science and enthusiasm in well-to-do homes, presided over by wives and mothers weak and weary with changing servants? Do not authorities agree that one of humanity's greatest needs is to be taught how to cook?

A Field for the Heroine. It would seem that a young lady of established social standing, feeling a call to help humanity, as well as the desire to earn money and be independent,—might study scientific cookery and housekeeping (an approach to a fine art) to a degree of proficiency surpassing that of the lady of the best kept home, and might then offer her services to take charge of a house during the entertainment of visitors, or for weddings and parties. The start could thus be made by young ladies of standing, at good pay in wealthy homes. By changing the term girl or servant to housekeeper, or to some other word without a menial sound—a change often recommended—and by changing the attitude toward the young woman accordingly, service in many homes not wealthy might soon be made unobjectionable to a self-respecting young woman supporting herself. With the occupation thus made respectable, the lowest wages paid in a factory or store, \$3 to \$5 a week, would secure girls of such capability as are seldom found now in house service. They would get also their board and room, would avoid the prolonged strain necessary to earn the same money wages at piece work in factories, and would become master housekeepers for their own homes at marriage. Ladies now paying \$2.50 to \$4.50 a week (the rates in Jackson, Mich.) for such

girls as they can get, might afford to add a dollar or two to obtain girls they could depend upon without oversight.

The Need for Professional Housekeepers. In a few years there might come about a decided change in the servant question. Relief of over-worried wives and mothers would bring relief of the over-crowded ranks of factory and store girls, perhaps raising the wages of these. The present house servants, to hold positions, would gradually find it necessary to meet the higher standard of efficiency. Those who failed to do so could work in laundries and factories, and as second girls in the larger households. In many cases the new class of young women trained in housekeeping might save enough to balance their wages by stopping waste, and by averting sickness in the family. The general benefit to all concerned would appear in the pleasure of living with all the house work done on time, in the best manner, and with nobody worried or tired out.

Is Not This Change Worth an Effort? If not this plan, what? So long as the present cloud of disgrace hangs over house service, it will never be done by the class of girls who alone can be depended upon to do it properly. This social stigma is the main cause of the trouble. Wages would need to be raised but little, though the higher class of girls would require respectful treatment, a room not needlessly plain, and a reasonable allowance of time off duty. What lady could conscientiously desire to gratify herself by depriving a girl of these rights? A few influential ladies, if they will, can establish this reform in a town. Is there any other way in which they could benefit society so substantially?¹

'Is It Chimerical? This solution of the servant problem was pronounced chimerical by a professor who read the manuscript of these pages. His grounds were that it is in the nature of ladies to look down upon their servants, and to withhold from them the considerable measure of social recognition required in the plan outlined above. So far as that is true, complaint of servants is as idle as complaint of the weather. What the ladies have to bear from inefficiency and waste, they pay for the satisfaction of looking down on their girls. The exchange is square, and discussion is useless if the ladies are not ready to be admonished to do better themselves. But as we have been excusing everybody in this book, we must point out that only in recent times has public opinion classed with the evils of human nature the blighting principle of caste. A survival of former ideals is the feeling that a servant—even though she be a teacher taking temporarily a

A Start in This Direction, caused by natural demand, has already been made. In homes in New York, below the grade

sick sister's place, and is more intelligent than the lady served—should don the white cap, and pose in a servile attitude, and receive her father, a college president, in the kitchen. These notions of keeping to one's station, and of hard and fast lines between classes, are jarred by the growing prevalence of the sound ideas that every person's station is the best place he can reach, and that when it suits him to work awhile in a lower grade his rightful rank is less lowered than elevated. In Europe there is less trouble over the servant question, there being present everywhere a servant class, who learn their trade and follow it contentedly. From this European class come many of the best servants in America.

Advantage of Fewer Hours for Servants. Instead of the present evening and Sunday work of servants, with but one or two free afternoons a week, their time on duty could be reduced to nine hours a day (to half this time on Sunday), without lessening the total amount of work done, and with benefit to the family. Having a servant continually at one's beck and call, and being relieved from the necessity of caring for one's self apart from the important work of the home, is harmful to the character and habits of the family served, since it involves a change from useful cooking and sweeping to lackey or body service, which is hardly to be defended for any one not sick. The harm to the servant is that the atmosphere of subjection fills her life so completely that the spirit of freedom is cowed or crushed. One strong reason for Sunday rest, and for few hours of labor, is that prolonging the absence of the workers from the employer's control over them while on duty increases their self-respect—their independence of and equality with him, their capability as citizens. Miss Addams says there can be no solution of the servant problem until ladies break through the old status of mistress and servant—unsuited to liberty and democracy—and displace the narrow code of duty to one's family and circle with the new code of duty to all.

"We Will Never Give Up Our Evenings and Sundays," was a common objection to house work that was given in the Massachusetts bureau's inquiry in 1902 among servants, factory girls, and store girls. Other serious objections were the loneliness of servant life, and the absence of chances for self-improvement and for rising to better positions. Not one of the servants interviewed was American born. "The feeling seemed to be, not that the work was degrading or unpleasant, but that a girl must have lost her self-esteem who would sell all her time but half of one afternoon in each week, who would be called a servant, be willing to receive her friends in a kitchen, and who, instead of learning her trade and being left to do as she had learned, must be subjected to the whims of each employer." (*Independent*, Nov. 13, 1902.)

The College Woman in Domestic Service. Miss Lillian Pettingill, who, after graduating from Mt. Holyoke in 1898 spent about a year as a

of those having men as butlers and chefs, the employment of professional women housekeepers is said to be increasing. In some of the smaller cities married ladies of talent in cookery, and moving in society well above the middle, now undertake catering for parties, and rank in the assemblage with the guests. The need for such help is so great that traditions of caste will gradually give way before common sense. In New Zealand there is a somewhat numerous class of servants called lady helpers, who are treated by the lady of the house as social equals, but who do as much work on the average as the ordinary servants, and at a third less pay, making the reduction for

servant in five homes, worked an average of fifteen hours each week day, and of twelve hours on Sunday. One important factor in the problem, she found, is the effort of many a lady of the house to follow the old slavery custom of ordering the servant about as one below the level of rights and feelings—a custom that employers of men found long ago they could not indulge in if they were to keep any capable workers at all. She says that having the servant live, like other workers, away from the home served, and removal of the social stigma, will attract into house work capable girls from the over-crowded ranks of factory and office workers, but that the change will be slow, as class prejudice downward is deep rooted. As recommended above in the text, she says "Let the educated class show that they hold there is nothing degrading in domestic service, that success in it is honorable, and the social ban will gradually disappear." (*Everybody's Magazine*, June 1903.)

The Industrial Commission thought the social stigma counts for more than all other objections combined—that the basic trouble is the hiring of a servant's person (not simply her labor) for all the time, to do anything ordered, as a slave or body servant of a superior, not as an employee on the business basis of a contract between equals. In 245 Massachusetts homes in 1898 the servant's daily time on call averaged 12¼ hours, and her time on duty 10½ hours. Ladies are such poor employers that many do not even pay. The New York Legal Aid Society had in one year claims from fully 2000 servants, three-fourths of them collectible and the pay in half the cases being deliberately withheld. This shows the reason there was for a demand by a servants' union from employers of certificates of character. The opinion of perhaps a majority of ladies may be that of one who replied to the Commission, "I believe if you have a girl you want her when you want her, no matter what time." Overwork is demanded in large families, while generally ladies watch the servant too closely, not permitting her to dress as she pleases and have companions. That hours and work can be limited is proved by the complete satisfaction with Chinese men servants in California, who for \$25 to \$40 a month do well what they contract to do, but will do nothing else. (Indus. Com. XIV.)

the sake of the social standing, which is in effect a part of their wages. Girls in America work at a similar reduction, and for the same purpose, when they accept from a store a sum no larger than they could get in a family with board and room included. In England the pay of various positions in school teaching and office work is lowered by the effort of many girls to get them, for the sake of their gentility.¹

Ideal Social Conditions. There are many farming communities in the United States where some of the most popular young ladies, having little work at home, their fathers being local mechanics with but little land, work for wages during busy seasons in the households of the large farms in the neighborhood, without a thought in anybody's mind that they are thereby lowered socially. In these communities servants have never been a menial class when worthy and intelligent. Everywhere the social stigma upon household work is often avoided by a girl who helps in a family as a relative or as a near friend. Dr. C. B. Spahr, in his book of 1899, "*America's Working People*," tells of ideal conditions of society in rural Vermont, where lady school teachers do household work for a part of the year on a social equality with the family; of a cultured family in rural New York that treats the servant as a friend; and of farmers' daughters in Minnesota, whose leadership as students and teachers in the state normal school is equalled by their mastery at home of dairying and housekeeping. He found social conditions in the villages much the same as on the farms, and significantly says that rural America is still democratic, as from the beginning, the stronghold of freedom, while our cities are like Europe in wealth and poverty and caste.

Schools of Domestic Service. Newspapers have mentioned a plan of Bishop Satterlee (Episcopal) to establish a free school in Washington for the training of poor girls for domestic service, and a similar plan of Rev. C. M. Sheldon of Topeka, the author and reformer. Such a school might be useful, both to the girls and to the ladies who employed them. But those of the girls who became capable of doing work of a higher social grade would probably not remain in servile domestic work. It seems that the instruction of this kind now being given by home mission schools to colored girls in the South should result in great benefit, both to them and to society. They do not have access to the many higher occupations of white girls, and might fare much better than at present if fitted to supply the steady demand for servants in the North. For several years the Woman's Industrial Union of Boston has carried on a school of housekeeping, with a course of 32 weeks for servants, paid for with work during this time, the diploma giving a good position through the Domestic Reform League. The Boston Young Women's Christian Association has a course for servants, generally overcrowded. Such a school is carried on in Chicago by women's clubs, and such schools have been established in several cities by the National Household

Economic Association. In New York state women's clubs have been seeking to secure in public schools housekeeping classes like those of Springfield, Mass. (page 317). Domestic science classes in technical schools are attended by few who will be servants; they number not over 50 of 450 in such classes at Pratt Institute, Brooklyn. The instruction in ventilation, in nutritious value of foods, etc., now given increasingly in public and other schools, will reveal the importance of housekeeping, which now leads all other occupations in waste of labor and capital. When house service is made attractive, by the reforms here indicated, capable girls will enter it, and training schools for them will arise. (Indus. Com. XIV.) In Glasgow a ladies' society, for several years, has had some success in reforming domestic service and inducing girls to enter it. Its increasing unpopularity in Britain comes from growth of democracy, and is a healthy sign of struggle for escape from social chains, which are not to be endured in this age for the sake of a good home. (See excellent article in *Nineteenth Century*, June, 1903.)

Ought Servile Work to be Abolished? Doubtless the social standing of the rural girls mentioned above is fixed by the standing of the home family near by. Miss Jane Addams, in her "Democracy and Social Ethics," shows that if the servant (like a factory worker) roomed at home, or in a working girls' club (some large flats now have a section for the servants of all the families), many objections to house service would be removed—those relating to time off duty, to a place to receive company, to isolation from associates, and to continual consciousness of inferiority to the family served. There would also be less danger of loss of virtue. But the social stigma would still need to be removed as recommended in the preceding pages. Miss Addams's idea is that by employment of professional house cleaners, and by purchase of baked and canned goods, or of hot meals delivered (a new business in London), house work should be further reduced toward a minimum, as involving somewhat the servility of body service, which cannot well be tolerated in a democracy.

Though Waiting on One's Self is Beneficial to character and promotes equality, yet house work seems too important in family life to be greatly curtailed by any possible system of co-operative housekeeping or boarding, or to be taken care of by the wife with justice to it or to herself where the house, the family, or the living, is large. As the character of a family depends most of all, perhaps, upon the condition of the home, it would seem that for nothing else could income be spent with better results than for the desirable forms and grades of home service. No sufficient reason appears why house service cannot be bought—like laundering, barbering, and dressmaking—without trouble as to servile relations. It is the servility that ought to be abolished, not the service itself. A large household can have division of labor and expert service, and a small household can have all this that is desirable, since rearing a family must chiefly remain an individual task. But as the present growth of wealth is accompanied by

the old time love of luxury, it may be that nothing but the spread of democratic unionism among footmen and waiting maids will save American society from a dangerous measure of those penalties which fell so heavily upon Rome, and upon France before the Revolution.

Prof. Lucy M. Salmon of Vassar College, in her book "Domestic Service," second edition 1901, says the problem is less to improve the relation with servants than to decrease it—not to find more girls but to have less work; that household work must be changed from the old servile status as all other work has been. The change is to come in having the girl live away from the home served, thus avoiding restrictions, directing herself, and working regular hours; in having food prepared as far as practicable before it comes to the home; and in hiring experts to do cleaning as they are now hired to do painting. After these changes household work will attract girls of higher efficiency.

CHAPTER XVIII

THE PUBLIC'S PART IN UPLIFTING WAGE EARNERS

Patronizing Fair Employers. The kindly interest of the general public in the working classes can be made to produce decided effects for the better by directing it to more definite ends. The people do not yet know the influence they can exert in this respect, though increasing attention is being given to the matter. Kindly feeling that does not affect one's conduct is worth but little. Perhaps most of the sympathy for the poor is of this sort—existing only in the mind. It is in the distribution of patronage (buying of goods) that any person can make his or her influence felt toward establishing right conditions for wage workers. A person with an active and intelligent conscience feels that all his resources must be used to the utmost advantage in promoting the welfare of his fellow men. In the act of spending money, though everything bought is kept for one's self, there is a strong influence that many a buyer overlooks. When a considerable proportion of the people make a practice of buying only from merchants who provide plenty of seats for their sales girls, keep their stores properly heated and aired, pay their help all they ought to pay, and in every way treat them rightly, there will be few merchants who do otherwise. In a store well managed, such a policy pays in securing efficient work, apart from this effect of drawing patronage.¹

'The National Consumers' League of New York City, having now 53 societies in 18 states, recommends as worthy of public patronage those manufacturers whose goods are found by investigation to be made under right conditions of labor, and those merchants (46 in New York) who provide such conditions for their help. It has a label that is placed on ladies' and children's white goods made in factories recommended (43 in 11 states). The Michigan branch of the league sent out in December, 1900, a circular requesting preachers to ask their congregations to do their shopping some time before Christmas, and thus to avoid adding to the exhausting work of clerks in the busy season. There is a similar consumers' league in England. In

Need Not Involve Boycotting. The placing of one's patronage where it will help to establish right conditions of labor need have none of the resentful nature of the usual boycott. Manufacturers and dealers deemed unworthy need not be mentioned or thought of. The only thing to consider is that all one's trade and help are due to those who not only give best values to the buyer, but at the same time do their full duty toward their work people, which is also their duty toward society. This is rewarding those who do right. The usual boycott, on the contrary, being a direct effort to keep customers away, is fighting those who do wrong, or who do what is against us. When persons not directly concerned are drawn into it, the greater wrong, in addition to breaking the law (page 218), may be committed by the boycotters themselves.

But the Buyer's First Duty is Toward Himself. He ought first, as a rule, to fulfill this duty by trading with dealers who will give him for his money at least as much (sometimes more) value and satisfaction as he can obtain from any others. He himself should try to be the most deserving man he knows. He (or his life work) *is* the most deserving, whatever his wealth, and whatever the poverty of those he deals with, when all he gets or saves comes honestly, and is devoted to those uses which will result in most good to society.¹ Even if he is not thus

the growing desire of the public to benefit the working class, there seems to be considerable promise in this plan among buyers to utilize their influence over sellers.

It is allowable to secure real bargains temporarily offered anywhere, in fire sales, or in closing out sales. Yet an active conscience will not permit one to take advantage of merchants by making a practice of buying in strange stores the few articles marked down as leaders to draw in new customers, unless other goods at regular prices are bought at the same time.

¹It would be wrong (a waste of the resources making for good in society) for a citizen to conscientiously list his personal property for tax assessment at sums much nearer to full value than was customary. Usually the assessor does not desire such valuation. The truth sworn to means truth to the degree customary and understood. But it would be better to err toward valuation too high than too low.

Paying More for an Article than it Would Cost Elsewhere is making the dealer a gift of the excess paid. Unless the buyer is under special obligation, he is thus helping the less fit to survive, perhaps to be carried along on these excess payments as a tax or dead weight on those who continue to trade with him, whether or not they know he is overcharging. In

conscientious, the buying of values not the best for the price is a questionable practice. Among the various dealers who may be about equal in respect to values offered, the conscientious buyer can first select those who treat their help properly; and then from these select the one whose money and influence are devoted in largest proportion to benefiting his fellow men—socially, morally, and religiously. That would be perhaps the perfect way of bestowing one's patronage. It is patronage, though generally deserved, that makes most men what they are financially, and sometimes socially. With it a good man's power for good may be greatly increased. Often a person must first deal with those who have dealt with him, or to whom he is under obligation of some kind. After he is square with the world in this respect, he can then bestow his custom as set forth above. Only the more conscientious will use their influence so carefully. But the results of this method of benefiting humanity are certain. Any one can follow it to some extent.

a perfect condition of industry, every dollar of capital, and every stroke of labor, would be so employed as to effect the most in producing useful things, to be divided among the people as each might select and offer value in exchange. This means the laborers we have, whom this country must feed anyhow, not more immigrants, whom other countries must feed until they come here. Any merchant whose presence in business gives no part of the community lower prices or better service (from all the local merchants together), even though he sell as cheaply as any other, is wasting, so far as the public is concerned, the usefulness of the capital and labor employed. If he gets a large income in profit, and pays good wages, the case is worse, since for all this taken from the community it is no better served than it would be without this store. However, a successful store does help usually to keep prices lower in the town, and to make supply service better; yet upon useless stores capital and labor are wasted which, if effectively applied where needed, would materially increase the useful things we enjoy.

The Fraternal Idea, now very popular, of patronizing brethren in the church or lodge, is praiseworthy when they give as good values as can be obtained from others. Perhaps it is allowable, for the moral effect of brotherliness, to pay them a little extra in price for a short time, that they may have a chance to show what they can do. Then, if their values and service are still lacking, allowing them to fail would benefit all concerned. The dealer himself could hardly desire to live as a parasite on the community. The man who follows these principles wants others to do the same toward him. He wants to deserve all he gets. Most of the capable business men now generally observe the golden rule, finding that as it pays to do so, its level of morality is in business not difficult to attain.

The Union Label has been largely used during the last fifteen years in America (but has not yet been introduced in other countries) on cigars and hats, and to some extent on jobs of printing, loaves of bread, articles of clothing, and various other things. The object of its use is to secure patronage for union shops, and thus to increase employment for union men, by inducing trade unionists and their sympathizers to ask dealers for goods bearing the union label, and as far as practicable to buy no others. A union-made brand of goods a dealer may be induced to keep in stock through mention of the label by only a few customers. The large success attained in inducing manufacturers of hats and cigars to recognize the union in their shops, in order to use the label on their goods, is partly due to the fact that these two commodities are bought by men only, and in large proportion by workingmen. In advertising overalls the garment makers' union label is naturally made prominent; also the printers' label on all kinds of printed matter addressed to voters by parties or candidates.¹ During 1901-3 the urging of buyers to demand goods bearing a union label has been pushed vigorously throughout the country, by advertisements in papers and on billboards, by small papers published for the purpose, and by label leagues (78 in 1903) of local unions united for agitation, the wives of unionists being interested, and in some cases lady organizers being employed to travel and

¹**Meeting Places for Unions in Saloons.** In saloons patronized by working men the proprietor's indorsement of unionism is often evident, from the pictures and papers he displays. In England, from the beginning of unionism, a meeting room for unions has been furnished free in many public houses, with expectation of course that unionists would return the favor at the bar, which return was an important part of the program until union business became too large to be entrusted to men with such accompaniments. This custom of meeting at public houses, necessary in England while unionists were yet poor and ignorant, has long been decreasing there, and has been less common in America, though it is still followed by many unions in large cities. In both countries large unions in cities have a room or office open continually, and many others rent a hall for use at meeting times. In about a dozen British cities, in which unions are a power in local politics, a room for their meetings is given free in the city hall. The unionism of Melbourne, in Australia, is noted for its ownership of a large and costly labor temple. In the small city of Everett, Washington, a labor temple costing \$4,000 was completed in 1902. Such buildings are now projected at a few other places in America, including Boston and Indianapolis, and Toronto.

establish such leagues. In hundreds of towns the local organizer's urging of the boycott of those on the Federation's published list of unfair employers is accompanied by agitation for union labels. At a few places the trades council, nominally at least, imposes a fine on any union man who buys goods without the label. The cigar makers' union leads in label agitation, on which it spends about \$30,000 a year. In asking patronage for union goods it has now special reasons, in the refusal of the cigar trust to employ unionists, and—more important still—in the trust's present movement of buying out or driving out many retailers who do not comply with its wishes. Perhaps one reason why many of the most expensive cigars do not bear the union label is that it might repel, rather than attract, the wealthy men by whom such cigars are smoked.

Where Value is at Least Equal in the article bearing the label, to that in other brands offered at the same price, preference in buying the union article is sound, and may tend toward good results in society, as will patronizing merchants that treat their help well. But what of paying for the label-bearing goods a price somewhat higher? Use of the union label is confined to strictly union shops, complying with all the union conditions, except where weakness of its position induces the union to grant its label to shops unionized only in part. Some of the latter may be inferior concerns, and occasionally by such the label has been counterfeited, or bought of an unfaithful official of the union. Moreover, union requirements relate to wages and hours, not to shop ventilation or cleanliness, which are matters for the state factory inspector or local health officers. Hence, the label shows only that an article was *probably* made under clean and healthful conditions, since shops paying union wages (excepting some small ones in towns closely unionized) are generally of an upper grade, and at least fairly clean and well conducted. To this extent, therefore, in paying an extra price for cigars and clothing bearing the label there would be a consideration, in greater security against filth and disease, these commodities being largely produced in crowded sweat-shops. Of *quality* justifying a higher price, the union label, though not permitted on cigars below a certain grade of cheapness, cannot as a rule be made a guarantee; because work at full pay on cheap goods, of poor materials, may sometimes be as desirable

for unionists as any other work. Besides, quality is not always lacking in goods made by non-unionists. In most of the unionized occupations some of the leading concerns, making goods of the best grades, employ a force partly or wholly non-union, and in some cases under excellent conditions of labor.¹

Paying a Higher Price to Help Unionism is involved so far as the appeal of a union label, not to buy other goods at lower price, does not rest on their poorer quality or on greater risk of uncleanness. Where desirableness is equal, the excess of price paid is a clear and direct gift toward the cause. That would be no objection with a person willing to contribute; but could such action be wise, as resulting in benefit to society? It seems not. The unionist outcry against the cheap labor of Chinese has had a good effect in the law that keeps them from crowding our country. Restriction of other immigration is needed almost as much. The unionist outcry against the cheap labor of children has a good effect in laws for keeping children out of factories and in school. The result is that they reach full growth, and in life do the largest aggregate of work and secure the largest amount of enjoyment. But any excess in union wages that comes, not from naturally higher product value of union labor, but from patronage held through favor alone, involves outright giving of money to keep well paid men at a kind of work that could be done as efficiently at less pay by

¹The Union Label as a Guarantee of Quality. "So far as union conditions—wages, hours, sanitation, etc.—stand for higher excellence (as in many cases they do), it may be claimed that the label also represents a better quality of work. Further than this very indefinite claim, the label cannot be said to stand for excellence of workmanship or product." (J. G. Brooks, *Labor Bulletin* No. 15, March, 1898.) While by giving up unsound ideas and bad practices, and by proving merit, unionism, where employers are similarly reasonable, can be made for the employer a guarantee of the worker's competence (page 297), it does not seem that it can ever be made for the consumer a guarantee of the product's quality. Whatever the employee's skill, he cannot make even the workmanship good when the article must be made quickly to sell at a low price, and besides he has nothing to do with the quality of material used. Where deception is not attempted, the manufacture of those middle quality goods used in largest quantity is perhaps the most useful manufacture of all. And it is probably well that unionism cannot be made a guarantee of quality, since, to be capable, buyers must exercise judgment, and employers must have more to do than simply to hire unionists. (See page 515.)

lower grade people, and to keep these well paid men out of some more difficult work in which to the full value of high pay they could serve society. Perhaps it is always intended that where goods bearing the union label are higher in price the difference shall be balanced by greater intrinsic desirableness. Otherwise the standard of living of the union workers would be kept up on a fictitious basis, and by taking the employment and lowering the standard of other workers far more in need of considerate or charitable treatment from the public.¹ The solid foundation

Buying Goods at Home. Sometimes, when many unions are being started in a small city, they gain favor from employers, especially merchants, by urging members not to buy goods out of town. The matter of not buying at home will do to complain about in a general way, but does not bear examination. Perhaps half the retail trade of such a city may come from country people on whom stores in the small villages may have first claim. These village merchants have as good a right as those in the city to claim home patronage, and perhaps better, in having greater need of aid. Moreover, goods made in the city are sold largely in other cities making goods of the same kind, and buying in the nearest metropolis by excursionists from the smaller city may be balanced with buying in the latter by excursionists from villages. Not many people leave home dealers they know, and with whom mistakes in buying can easily be corrected, to buy elsewhere, unless they really gain thereby. A dealer who offers solid values has a surer way of getting trade than by appealing to people's local spirit, or by censuring them for doing what they, the parties at risk, consider best.

The Principle of Protection Again.—When an editor writes that if the people of the city would only confine their buying to home products the city's business and population would soon be increased by a quarter, he forgets not only that every dollar not balanced with satisfaction to the buyer would be a free gift, but also that new dealers and manufacturers would come perhaps faster than the growth of business, and make the chances of the old dealers worse than before. Many a merchant that does well while the city is small is driven out when its growth brings higher grade concerns with which he is unable to compete. Preferring home goods is sound when values are at least equal, and that equality buyers should generally make effort to perceive and reward; but when the home value falls short the buyer bestows a gift which, by weakening the home producer's effort to get trade by deserving it, makes his customers at other places fewer than before. The protective principle is unsound enough when applied to the nation, but it is worse when applied to the city. Excepting the small amount of need that can be removed only by charity, and excepting a little present making among friends, nature is determined that no giving, tipping, or private taxing shall go without punishment on somebody.

Securing New Industries for a City by Offering Bonuses is a sound

of unionism is the effect of its high wages to raise efficiency still higher, giving the employer and the public better values than could be obtained from non-union men at lower wages.

Relief of the Sweated Trades by boycott of non-union goods¹

practice for those persons having land to be thus raised in value, and for any business men who think the resulting growth would benefit them more with new customers than it would harm them with new competitors. As in other kinds of outlay with hope of gain, men thus interested may do well to secure a new factory for the town by donating a site, by erecting a building for the new concern to rent, by granting it loans or buying its shares—provided that they use *their own money*. There was good reason also for investment of public money in railroad shares by many cities and counties thirty years ago; for, despite the losses and corruption, railroads were then badly needed, and were not built unaided, as at present, to any place having enough business to deserve a road. But raising a bonus to secure a new factory, by taxation or by general subscription, is thoroughly unsound.

Bonus Giving and Unfair Competition in Labor. Though use of public money in bonuses would now generally be held unconstitutional if contested, there are yet cases in which city money from bonds is given to a concern on the condition of its employing a certain number of men, and cases in which use of a city building is given free or at low rent. Between 1885 and 1893 there were many cases in which a city raised tens of thousands of dollars on bonds, and gave the amount to a manufacturer for practically no consideration except to induce him to move in, or not to move out. Of course an industry that cannot get capital on its prospects of profit has no right to exist (page 99). Bidding by a city for a new industry, since it adds nothing to the country's total market for products, can only take the industry from another town, and pauperize it with gifts, when if it had a right to exist it would be located somewhere anyhow. In this matter, which is the same in principle as wage cutting by scabs to get the jobs of other men, cities need at least tacitly to unionize against offering more for new industries than general good government—than the best in water supply, fire protection, city docks, etc. Where all taxes are justly levied and wisely spent there will be no need of tax exemption for factories. Such exemption is generally a scab offer against other towns. Business-like government is "enterprise" that is good for old and new industries alike. To continue the burden of bonus giving might make the inducement for moving in this year no greater than the inducement for moving out next year.

¹**What is Meant by Sweating?** Any wage worker is sweated when by reason of hurried speed, many hours, low pay, or unhealthy work rooms (usually by all these conditions together), his labor taxes his strength beyond a reasonable proportion to the living obtained. A sweat-shop is a crowded room occupied by sweated people at work—usually in the poorer quarter of a large city. The sweating system is the manufacture of various kinds of ready-made clothing, of cigars or other things, by an entire family in their

or at least by refusal to buy goods whose sweat-shop origin is indicated by cheapness or otherwise—is urged by consumers' leagues, and by the many preachers, reformers, and charity workers who teach that a conscientious person must often refrain from buying at the lowest price. This seems to be another case of kindness that is worse than wasted.¹ If the excess a buyer paid (above the price an article could be bought for in open market from competent sellers) went to the sweated worker himself, it would be only a charity dole (page 144), and would settle him deeper in the miserable work poorly demanded, causing him to relax effort to find other work that yielded a living wage. But of course the excess paid would not reach the sweated, being retained by the dealer receiving it. It would still be a dole if given for a well paid union worker's product in which excess of price was not equalled by excess of value. Refusal to buy tenement-made goods could not be carried far enough to starve out their production, which besides would not

miserable tenement home, or by men and women in a sweat-shop, the work being done in each case for a sweater or subcontractor, at piece or task rates made incredibly low by the large number and bitter need of the people seeking to be employed. The piece rate to the subcontractor, paid by the large clothing house giving out to him the cloth to be made up, is also kept very low by the price cutting of the many subcontractors in the business, which requires little or no capital and may be entered easily. Generally a sweated worker and his family are partially starved, and are too weak, poor, or ignorant to escape from their wretched condition. In America they are always thought of as living in large cities, chiefly in New York. In England the sweated trades include also many self-employed makers of nails, chains, and furniture, on a small scale by hand, under constant necessity of selling their product quickly to avoid suffering. The few employees of these garret masters are sweated still worse than themselves and families.

¹Self-Sacrifice and Merit. The impulsive, unthought conclusion, that anything involving self-sacrifice is good, is evidently present here, as it is in charitable giving for the health of one's own soul, however unworthy the recipient. It is forgotten that self-sacrifice has always been abused in asceticism—by Jewish Pharisees, by Christian monks, and by fanatics of various heathen religions. It is abused in another way by parents who sacrifice themselves in harmfully indulging their children. The essence of the burden of labor—namely, finding by "the intolerable toil of thought" the wise course, and then pursuing energetically—is not to be escaped even in the doing of good. Patiently obeying this law of God is better, as well as more difficult, than many of the more obvious but less real forms of self-sacrifice.

be the most humane way of helping the sweated. Under general ignorance of the sweating system, and under the doubtful good of such a boycott at best, too small a proportion of buyers would incur the loss of not taking the best bargains offered. Perhaps most of the buyers of cheap underwear and other sweat-shop goods are poor themselves, and unable justly to contribute. Refraining by the few from taking bargains would have little effect; and, at the most, low price is not a reliable mark of sweating, since in many cases sweated workers make men's suits and ladies' cloaks that are sold at high prices to the rich. Moreover, a crusade against sweat-shop clothing is likely to spring far less from a desire to keep diseases from buyers (or even to help the sweated) than from a desire to get the employment for other and less deserving workers.¹ Whatever truth there may be in the reported danger to consumers from disease in sweat-shops (above the danger from diseased workers in factories) is not for competitors to cruelly magnify, but for the health and factory authorities to humanely rectify.

The Craze for Cheapness is Not the Cause of Sweating, as is claimed by many persons of various socialistic ideas. To get all that can honorably be obtained in exchange, from one competent to bargain, is as much the buyer's duty with his money as it is the worker's duty with his labor. In each case the duty is no more toward one's self than toward society, in order that business may not be shifted from the safe and sensible basis of value for value, over to the unhealthy basis of dependence with some and of the consequent advantage taking with others. Since in not buying cheapest nothing effective can be done to shield the sweated from imposition, such appeals to buyers are misdirected, causing a waste of their interest and effort, as well as giving the sweated false hopes of rescue. Moreover, as in exposure to a prairie fire it is wrong to depend on help from God until the settler has plowed around his house and done all else in his power, so in exposure to the desire of others to get the most for their money or labor—a force as natural and

¹It was with a discernment the good citizen must admire that the New York court set aside, about ten years ago, a law forbidding the manufacture in tenements of cigars or other articles to be taken in the mouth. A similar law of Montana, transparent as a blow at the Chinese, imposed a license tax on laundries not using steam. It was set aside in 1896.

beneficent as the force of fire—it is wrong to appeal to and cheapen the noble trait of sympathetic helpfulness until society and the sweated themselves have exhausted the practical means of relief. It is getting into a condition of helpless exposure to the evil effects of close bargaining that is the cause of sweating. The natural and ever present desire (among manufacturers, contractors, and consumers) to obtain all one can is no more the cause of sweating than the ocean is the cause of the loss of a ship that was taken out of port when unseaworthy. But on the contrary, getting into a condition of helpless exposure is itself largely the cause of the sweater's rapacity. The presence of so much easy prey, in the form of unprotected people incompetent to bargain, would tempt many business men anywhere to follow the sweater's example in coining money from the blood of the poor. And the people's craze for cheapness is developed by purveyors of bargains. Yet after all, this craze amounts to very little. Buyers who look beneath the surface know that there are few cases in which cheapness is not balanced by defect of some kind.

The Remedy is to Get the Sweated Out of Their Helpless Condition. For their deliverance all the proper means should be used. It would be well for the wholesale clothing manufacturer conscientiously to refuse to give out work to contractors (unless he set the conditions) and to give it out himself to the poor workers, so far as he could thus add, without loss or undue risk, a new department to his business, and so far as his extra expense in raising wages and reducing hours was balanced by extra value in better work (page 145). It would be well also to place public and other contracts with fair employers, not by a fair wage clause easily abused, but with specifications as to quality that would raise the work above the sweater's grade and still secure full market value for the money spent. And preference by consumers for goods bearing the label of the union, or of the consumers' league, when the buyer cannot get better value otherwise, is also a sound method of increasing that portion of industry which affords right conditions to the workers, and of reducing the remaining portion, while at the same time attracting employers away from the latter with proof that right conditions pay. But, as previously implied, the reverse is the effect when in either of these cases

the buyer fails to get the best market value for himself. Besides wasting the money of the forces of good, refusal to buy articles of best value, because of their not bearing the union label, would not only bring a bad element of charity into the support of the unionists concerned, but would make worse the condition of the sweated, and obstruct their escape. Such refusal would not extend far enough to do good. In but few places is unionism strong enough to accomplish much toward inducing dealers not to handle those goods highest in value for the price. By the union label the great farming class, as a rule, are not attracted but are repelled, deeming its use a method of obtaining a price higher than the quality justifies. Also, on goods designed for the well-to-do in general, such as books and magazines, the union label is not used. Such people are reminded by the label of unionism's unsound ideas and policies of coercion. The risk of arousing unfavorable feeling among buyers is a safeguard against the temptation for unionists to collect, by means of the label, an assessment or charity contribution, while their occasionally proposed universal boycott of non-union goods, like the socialistic universal strike (page 233), would unite an invincible body against them. But refusal to buy goods not bearing the label would extend far enough to do harm. It would not drive out the sweated, but would lessen the means to lead them out. By unnaturally reducing demand for their labor it would reduce their opportunity for self-help, by individually going from one employer to another to get better pay, and by some concert in demand among the many unfitted to earn the full union conditions. For the present a large section of the sweated people are too ignorant, too much scattered in tenements, and too near starvation, to combine effectively in unions or to refuse otherwise to work for the low wages offered.

It is Mainly by Law that They Must be Rescued from their pitiable condition.¹ First, greatly increased restriction of im-

¹**Who is Responsible for the Suffering and the Shame?** Those who say it is wrong to buy goods at the lowest prices—that "every consumer, by each act of purchase, is exerting a direct power of life or death over a class of producers" (Hobson)—say also that persons thus buying, and that employers paying low wages to the sweated, are responsible for the turning by girls from poorly paid work to a better support with the wages of sin. For reasons given above, and on page 144, paying wages or prices above market

migration would prevent the city slums from being more closely packed every year with tens of thousands of new-comers, to neutralize the effort of unions, and drag wages still lower in the

rates would make the conditions worse; while for a worker to depend on buyers to charitably deliver him from low pay and the wrong business is similarly blighting as to depend on them for supper and lodging. Nature has decreed that such dependence shall bring forth death—death at first to the will and eventually to the body, and then to the society that encourages it. Fortunately, not enough people will be unsoundly thoughtful in their buying to materially increase the pauperizing influences. But for the poor worker's condition there is responsibility on all in every class who fail to do their part toward securing needed laws, and toward helping forward the various sound movements for rescuing the sweated. The latter would be more responsible themselves, in not using better judgment, if they were not so disheartened. Their almost childish helplessness was exemplified by a woman whose struggles, in earning 35c. and 50c. a week by toiling early and late at piece rates on different kinds of garment making, were narrated in *The Outlook* of Nov. 22, 1902. As people thus discouraged are unable to get a decent living, by going to where they are wanted, it is a public duty to seek them out as incompetents, and to put them on a plane of self-support. Between \$3 and \$3.50 per week of very long days was found by official investigation in 1902 to be about the average earnings of women in New York city engaged in finishing clothing at home, though the average in the white goods trade was about \$6.

The Cost to Society. "What profit cannot unload upon price, or price snatch away from profit, is by both dumped upon society and forms the social price," says Mr. Ethelbert Stewart in *The Outlook*, May 31, 1903. But the cost that reaches society in the idleness and blight of "droves of practically black-listed persons charged with the new crime of having gray hairs" is due almost wholly (1) to trade unionism's ban upon the justifiable non-unionism of acceptance of less than the full rate by those unable to earn it, and (2) to the general condemnation of hiring anywhere workers that are cheap per day, the assumption being that unfair advantage is taken of them. If employers are so ready, as is claimed, to hire inexperienced children and women, they would be more ready, if permitted to pay wages just to themselves, to give elderly men work at a pace they could stand (pages 314, 381). Also, the old men working for the city in parks, of whom only three per cent could earn full pay elsewhere, would not be pauperized, nor induced to drop early out of private industry, if the unionism and socialism in public opinion did not require for them high wages that are half charity—something not to be hidden; while the public money thus worse than wasted would, if used to buy labor at its market value, give work to many of the unemployed, and benefit the city's poor with a better cleaning of the slums. There will never be a way to place a pauper tax on the employer by making him pay more for labor than he can sell its product for; nor, despite society's gain in

sweated trades. It was immigration of Southern and Eastern Europeans, desperately poor and ignorant, and fitted only for the easy work of the sweated trades, that created the sweating evil at first, between 1880 and 1890, both in London and in New York, and that has since added to it.¹ Second, enlargement of public school capacity in the great cities, and strict enforcement of compulsory education laws, would save the little children that are being worked to death in hundreds of slum homes, especially if their home work were subjected by law, as in England, to inspection as to hours. The parent's right of control over the child, to the extent of abuse, has never been recognized by civilized states in modern times. Habitually carrying heavy bundles up five flights of steps, for parents that act kindly, may be worse abuse of a frail child than frequent whippings by parents that act brutally. In the long run, not only would no life be wasted, but less charity would be required, to allow children to grow up to self-support in school, supplementing with poor relief what they might earn after school hours, than by permitting them to be made physical wrecks in work for parents. Third, enforcement of laws regulating work in factories will keep young children out of them, and provide for the

restricting child labor and factory hours, will there ever be, without a social cost that will be staggering, any way of relieving those not utterly helpless from the necessity of doing their own bargaining and earning all they get. Most of the social cost that is now blighting large portions of society, as just indicated, could be gotten rid of simply by open adoption of the natural and right policy of contracting with the seller who offers most for the money, and of teaching the workers that they must do likewise to avoid being ruined, and society with them, by being charitably cared for.

The Padrone System. The exposure to loss of poor foreigners, ignorant of our language and customs, is exemplified by the extortion of the Italian padrone, to whom goes most of the wages of many a fellow countryman he brings to America. His charges are made for finding jobs, for boarding, for lending money, etc. Sometimes, where the worker remains ignorant, his wages continue to be paid to the padrone for months and years, the worker being to some extent his slave. From these padrones railway contractors hire Italians in large gangs. Other immigrants, it seems, are not thus imposed on by shrewd countrymen here, ignorance and corruption not being so common in the home land as with Italians. Yet the sweater, by speaking several languages, finds victims among new comers. Their working in small groups to themselves prevents them from learning how to earn more.

health and safety of adults. These laws could be extended, as in New York and Massachusetts, to cover every concern employing one person not belonging to the family. Work by grown people in their own home could not be constitutionally prohibited, or limited in hours, but under the city's health ordinances, and under the state's license law for tenement manufacture, the owner and occupants of every house can be required to keep it in sanitary condition. New York makes the owner responsible for use of his rooms contrary to the license law. The city authorities can open parks and libraries in the poor quarters, and maintain in school houses, to be kept always in use, free practical lectures for adults and various other instructive exercises (an effort very successful in New York,¹ and now spreading to Boston, Newark, and elsewhere); while philanthropists can build model tenements and boarding houses, and support the lectures, industrial schools, and other uplifting work of the social settlements and betterment societies. Along these lines, excepting immigration, which is a national matter, the evils of the sweating system in Boston are fast being removed, largely by means of diligent work by inspectors, lack of whom has almost nullified much of the world's factory and tenement legislation. New York, Illinois, and other states have similar laws for the sweat-shop evil. These laws, which forbid manufacturing in dwellings except by members of the family, brought about in one year in New York city the erection of 59 new factory buildings, occupied by 483 shops, on sites previously occupied by tenements. Of course the laws can make no constitutional regulation as to time work or piece work, or as to amount of pay. For such matters the state can only teach and assist into self-help.

Escape by the Sweated Themselves. Enforcement of these laws enables many of the slum children, as they approach maturity, to get into work affording better pay; and also, by saving the strength of adults, enables these to earn more. As the pressure of poverty is somewhat relieved, and as hope is awakened, the latter get a better understanding of their condi-

¹In the season of 1901-2 the lectures numbered 3,172, and the total attendance reached 928,251, consisting mainly of adults.

tion, and learn how to act together in unions.¹ The sweated learn also, in some cases, to go where their labor sells higher. Some knowledge of other places, and of other lines of work, is

¹In the **United Garment Workers' Strike** of 1901, in New York, about a dozen unions joined (for the first time successfully), covering the entire clothing trade except women working at home. Previously, beginning in 1894, the workers in the more important branches of the tailoring trade had abolished by strike much of the evil in the sweating system, shortening the day for cutters to nine hours in New York and to eight in Chicago, and securing fairly good pay and conditions for about two-thirds of all affected by the sweating system. To a considerable extent manufacturers were induced to cease subcontracting, and to open healthful shops of their own. (*Labor Bulletin* No. 4.) Further reform in the same direction is still being urged by the unions, with good prospect of success. By strike pressure they induce the reputable wholesaler to sign their scale of wages and to become responsible for payment. Self-interest then leads him to dispense with the irresponsible subcontractor or to make him a mere foreman. Decrease of subcontracting, by turning the home workers into factories, decreases the number of those who have no chance to learn conditions and imbibe the union spirit by association with others, and who are too ignorant and isolated to be unionized as they are.

The label of the federation of separate unions known as the United Garment Workers, which has been most effective of all the 52 labels recognized by the American Federation except the labels of the cigar makers and brewery workers, is now being sought almost daily by manufacturers coming to headquarters and asking to have their shops unionized. Being given only to shops complying with state laws and union rules (generally shops somewhat large), it has gone far in New York toward abolishing sweatshops and small contractors. (J. R. Commons, *Rev. of Rev.*, Aug. 1903.) Yet the drawing force back of the label, it is to be hoped and believed, is not an effect from it to induce buyers to subsidize unionism by choosing values not the best, but is their choice of the labeled article where it is at least equal to others, and is especially the earning by unionists of high pay better than the less competent earn low pay.

The Influence of the Union Label in Milwaukee has been learned by visiting 205 stores (*Am. Jour. Sociology*, Sept. 1903). In each line most dealers reported no demand or small demand for labeled goods, chiefly the former. The label was found on cheaper grades only, and it made these higher in price. Some even declared it a badge of cheap goods, and one said his labeled overalls were worse than others costing 75c. less per dozen. Five-cent cigars bore the label, but not ten-cent cigars from the same maker. Some thought much of the choosing of labeled goods was done to avoid a union fine, but there was agreement that unionists soon take the best values, regardless of labels, and buy freely of the boycotted trust-made tobaccos. Concerns making a specialty of labeled goods were few and small, and com-

the hope of escape from an industry that is overcrowded or is passing away. By irregular work and low pay, due to exceptional slackness of demand, miners in different American coal districts have repeatedly been brought near to the point of suffering. The main reason for smallness of pay with the sweated workers in the tenements, to whom Hood's Song of the Shirt is still distressingly applicable, is that they are doing by hand a kind of work that can be done cheaply with machinery in factories, and that would have passed to factories long ago if it had not been for the unlimited supply and incredible cheapness of slum labor, which, when done in homes, is made still cheaper to the employer by his release from the expense of rent and heat, and by his freedom to hire more or fewer at any time.¹ When by combining into unions, and by going into other work, the sweated can refuse to accept wages so low, their lines of manufacture will gradually pass to factories, in which they can find employment under healthful conditions, at living wages, and can soon unionize effectually, while producing for the people goods better and cheaper than at present. This change has been taking place for some time in the clothing industry of England, as in Boston and New York (see previous page). In many sweated hand trades of England, kept in existence by low wages and long work days, there are lamentable suffering and waste of labor power. Factories taking away the present business of the hand workers, while affording them new employment, would be their surest deliverance. The essence of sweating lies in the absence of responsible employers, of factory laws, and of unionism (Webb); that is, when the poverty of the workers, and their inability to move or find better work, leads subcontractors to gain by imposing on them instead of by proper superintendence.

Labor's Last Resort. In a circular issued occasionally by plained of unionists for leaving them to buy scab-made goods more cheaply, while others mentioned the loss in carrying labeled goods for a few demanding them. Women practically ignored the label (there are no label leagues in Milwaukee), though two grocers reporting a demand for labeled brooms had each been asked for them by one woman customer. The investigation indicates that unionists and all others are too sensible to discourage the cost and price lowering of which progress has so largely consisted.

¹Capitalism does not need, as socialists assert, a reserve army, but it gladly uses one if the idle wait around. The same is true of the she town.

the British government, and placed before the public in its post-offices, giving information of wages and demand for labor in the British colonies, mechanics were warned of scarcity of employment (May, 1900), but everywhere, the circular said, there is a sure living, usually a chance to do well, for men who can engage in farming for themselves, and for women who can do house work. There is here an important general truth. That man's welfare is safe who can go on land and make a living at first hand from nature (page 33). Generally this is true even when he has no capital, but is only a capable farm hand. That woman's support is sure while health remains, whatever misfortune may come, who can make herself useful by doing in the way desired the household work that must always be plentiful. These two kinds of work can be depended upon as the last resort. To few persons with opinions worth considering would earning a good home and a full living at house work lower one's social standing so much as would partial starvation at some kind of genteel sewing, especially when in the latter case the worker has any part in the appeal not to buy the cheapest.

No Necessity for Suffering. No person ought to remain, without constant effort to escape, in any work that with economy does not afford healthful housing, suitable clothing, and the food and rest required to keep up strength. This is the lowest standard of life compatible with public welfare. After a person has earnestly exerted his or her best effort, and has failed to get such a living, he or she is then justified in falling back upon charity, for assistance toward a plane of self-support. In enlightened lands there is no necessity for starvation nowadays, nor even for want. In America there are resources in land and in demanded work that will afford a good living to everyone using them with tolerable judgment and industry. It is wrong for a person knowingly to waste God-given bodily health when the wealth and knowledge of society stand ready to help the deserving. From one who has honestly done his or her best, an application to poor authorities or to charitable agencies will generally secure cheerful assistance, and involves very little disgrace.¹ It is wrong to work for wages too low to

¹The disgrace that is necessary to deter one from dropping to poor relief before doing all he can to avoid it, is removed at once by knowledge that the person applying is not in fault. In especially bad times many could

maintain one's strength. To do this keeps down wages for all persons in the same employment. If the work is wanted, higher wages will be paid. If it is not wanted, the sooner the workers find it out the better, that they may turn to something else before wasting life.

The Parasitic Trades is a name applied by Mr. and Mrs. Webb to those in which the support of the workers costs more than the amount of their pay, the gain falling to the employer as profit, or to his customers in lower price, balanced by the loss to the relatives who partially support the workers, and by the loss to society in poor fund taxes, or in waste in the underfed of its aggregate of human strength for production. The parasitic gain is in effect a public bonus to unfit industries, on which they thrive to the injury of legitimate trade, as a great tumor feeds upon and destroys the human body. To the extent to which reasonable demand for higher wages, by workers of normal independence, would give the products of such labor higher value and higher prices, the consumers gaining from the low prices of these trades are parasites on society. The employer also is a parasite so far as his gain is excessive. In those sweated trades in which the poorly paid hand work would be done as cheaply by machinery, it is the workers themselves who are the parasites, in clinging to, and prolonging the existence of, trades in which they are not wanted, and in which their work cannot be made to yield the support they have. Neither employer nor consumer has here a parasitic gain, since profit would be as high, and price as low, if machinery was used under higher wages. But as from lack of choice the poor workers are not responsible, it is society that is in fault—the employer most of all if by enterprise in using machinery he is able to remedy the conditions without personal loss. At any rate it is his duty to make active effort for relief of suffering among workers in his trade. In work by children that lessens their growth or education, and their life's usefulness, the parasitic gain falls to the parents, to the employer in profit too high, or to

accept poor relief without loss of standing. Hence, besides being prevented by the inevitable ruin involved, there is no need for the state to "eradicate every element of degradation from the working of the poor law, so that self-respecting people unable to get work may willingly resort to it, as an expedient designed to maintain the people's standard of life." (Hobson.)

buyers of his goods in prices too low. There is parasitic gain, not only in every case in which one's pay is lower than the market value of his labor when properly sold, but in every case where anything sold below market price is wanted by the buyer to the extent of paying more. Distinctively, however, a parasitic industry is one that could not exist without the help of its workers from relatives and from poor funds, or without its waste of young life beyond what its low pay will repair; as those industries under a protective tariff are parasitic that permanently depend on the tariff addition to selling price, not being able to exist without this contribution taxed from consumers. In England, by reason of the helplessness of many thousands of sweated workers, parasitism in industry, it is believed, exists and flourishes now to the extent of a serious drain on the nation's productive power, and of a serious addition to the people's misery.

The Remedy for Parasitism in All These Cases, beyond enforcement of factory laws and tenement sanitation, with tariff reform, is to teach the workers to know and compare the trades they may choose, the places to which they may go, and the better paid grades of work to which diligence may raise them; also to teach the necessity of alertness in bargaining in order to get in wages what work is normally worth—of drawing on employers' competition with one another to hire workers, and of acting together in unions where that is practicable. The means of teaching this knowledge include public school courses fitting all for bread winning at least, whether college is entered later or not; libraries and newspapers filled with practical information of business; and a public opinion ready to aid in special philanthropic effort, whether conducted by government or by private citizens, to lift up into self-helping independence such classes as the submerged tenth in cities and the blacks of the South. Public opinion can spread the labor union condemnation of the indolently selfish practice of wage cutting by workers partially supported from other sources. For others having no extra means of support, wages are thus brought sometimes below a living rate. Young people, from childhood up, should be taught to prize not only efficiency in work, but also the necessary accompaniment of tact for selling labor at its full value. This degree of unionism needs to be urged everywhere. Zeal

to inculcate diligence was long carried too far, in the idea that a boy should not be concerned about his wages, but commencing before the whistle blew, and working to the last moment, should strive to outdo his fellows in pleasing the employer. It is well that most of the boys now learn soon to know better. Diligence in bargaining—in seeing that one's time and opportunities are most effectively utilized—requires intenser and higher energy than does diligence in mechanical working, and as discipline to character is far more valuable.

Restriction by Law of Amateur and of Home Work. But as to restricting or even prohibiting by law, as some writers recommend in England, and as many American garment makers and other unionized workers desire,¹ the right of amateur work by young people for wages, and of home work by women in the sweated trades, it is well that such legislation in America would be unconstitutional.² Beyond factory laws and sanitary

¹**Teaching All to Press for Highest Wages.** Girls living at home might easily be taught that the honorable and womanly way is first to acquire a habit of working well, and then to earn and insist on as much pay as that of other girls compelled to support themselves—not to childishly accept as spending money anything offered, regardless of the effect on regular wages. Consciousness of being a kind of half worker, any further than is necessary in the process of learning, weakens diligence, and tends to drag efficiency down to the level of the low pay. For a time, while reaching a position of advantage to bargain, it would be better for one passing from the learning stage to work well and let the employer have some parasitic gain. Possession of two sources of support has always lowered pay. This was the case a century ago with Swiss families working a part of the year at weaving, but depending mainly on farming. It has lately been the same with country women in New England who make up clothing for manufacturers in Boston. Everywhere, in view of the ruinous effect on wages and character, public opinion should frown on this dull and indolent acquiescence in wages based on the standard of living, and should insist on a practice of getting full market value for labor. Besides giving a spirit of demand to the worker, it would not be difficult to make employers, even in trades not unionized, ashamed to offer a weak bargainer less than her work's market value.

²**Of Subcontracting** the same may be said. Workers must be able to take care of themselves in its close bargaining and brisk working. Their inability to do so would expose them to loss in other ways. It was in the barbarous village that one could not call things his own, nor buy, sell, and hire as he chose. To possess civilization's freedom, each must learn how to use it—to get along with the minimum of restriction for public health and

regulation of tenements, and beyond some restriction on those giving out material to be made up in the workers' homes,¹—the only sound cure of the sweating evils is to teach people to take care of themselves—at least in America, where people have not yet sunk to the point of needing to be placed under guardianship. Restriction by law of healthful work by adults in their own homes, on their own materials, despite their unreasonable hours, would be removal of trivial and naturally remedied evils by establishing in their stead a rarely equalled tyranny. Such a policy, instead of lifting people from their helplessness, would settle them in it worse than before; and if in time they were not exploited or neglected by a bureaucracy of state officials, human nature would have changed indeed. The poor widow working in her bedroom "all the hours God made" will be regulated effectually by nature, in her breaking down and dying if not otherwise. Very few in one year, and none in three years, can do as large a yearly aggregate of work in long days as in days of the usual length. The amateur and temporary work needed by young people for learning will not harm the regular

safety. The more reliable the workers, and hence the less the need for the contractor to watch them, the more ready the employer will be to do without him, and to hire the workers directly. He will not pay the contractor for watching workers and bearing risk unless the latter's service is worth its cost. Moreover, subcontractors competing to hire help raise wages above what they would be if the women went singly for work to the wholesaler.

¹**The American States Forbid the Wholesaler** when notified by the inspector, to give out work to any one who is not complying with the tenement license law, and require him to keep a list of all to whom work is given. Persons who work during the day are not given a license to work at night at home. Garments made in violation of law must bear a tag marked "tenement made." The British regulation is similar, though it is made much more strict and minute by the new act of 1901. In the New Zealand law the influence of socialistic unionism appears in the requirement that the practically prohibitory disadvantage of the tag shall be borne by all goods made by persons working alone in homes. To them a license is denied, and the house in which two persons work together, though members of the family, is a factory, subject to rigid inspection as to hours, etc. Garment work given out from a factory to be done elsewhere may not be sublet, or done otherwise than on the receiver's own premises, by himself or by others paid in wages. In Austria, where, as in New Zealand, nearly anything is constitutional in trade restriction, a law prohibits some kinds of sewing by women in their homes, requiring it to be done in factories.

worker that knows how to do his part, or that is in a trade worth following.

Mr. and Mrs. Webb's Plan of a National Minimum¹ seems to be sound as to laws for a minimum of well-being in education, in tenement sanitation, and in factory regulation, but untenable as to a minimum of wages, and also as to a minimum of leisure for men except in a few occupations (p. 442-5). In advanced states the minimum of well-being by law for the defective classes is now carried well toward the point of making defectiveness desirable for the sake of the public aid it secures. Under a law throwing on the state all those unable to earn in private employment a fixed minimum wage, it is improbable that any system of aid and discipline in public labor, administered by the wisest and best government possible, could approach in desirable results the discipline of having to go into the market and earn a living in one's own way, assisted into making that the best possible way by the varied protection, instruction, and encouragement outlined above, but with nothing to fall back upon except the unattractive support of a pauper. As previously explained (p. 338), it is unlikely that a minimum wage law will ever be a passable success. But the progress of the past and of the present proves that there are immense possibilities in raising the helpless to a plane of manly self-support, on which each for himself will pass well above a good minimum in every respect.

¹See their "Industrial Democracy."

CHAPTER XIX.

LABOR LAWS.

Factory, Mine, and Railroad Laws, in all countries possessing such industries on a considerable scale, have been found absolutely necessary to protect working people from irreparable injury. President F. A. Walker said that Great Britain's elaborate code of factory and mine laws—truly helping the people to help themselves—are a model for the world, a monument of prudent and far-seeing statesmanship;¹ and that judiciously combined with laws fostering frugality, they had marvelously elevated the masses. The English economists were almost unanimously opposed to factory laws in 1847 and earlier, claiming that restriction of freedom of contract would eventually harm the working classes by hampering industry; that like merchants and manufacturers, the wage earners, notwithstanding their poverty and ignorance, would be led by self-interest to act so as to bring best results for all, going promptly where wages were highest, refusing to work in dangerous mines, and thus forcing owners to make them safe. The mistake of the economists was admitted by 1861, in Prof. Newmarch's declaration that the success of the factory laws, sweeping away festering discontent, had proved "a security against foreign competition, a guarantee of power, a fund of undivided profits."² Under the laws both the employer and the workman

¹*Atlantic Monthly*, June, 1890. The British industrial regulation is now made especially effective by the fact that the Home Secretary, without the delay of new legislation, is given many discretionary powers to apply the factory and health acts to unregulated trades or kinds of shops when, after careful inquiry, he deems such extension advisable for the public welfare. Reposing such power and confidence in officials secures the best performance of duty, and does not endanger liberty under the active public opinion of England, but will not be safe in America until better men are placed in office.

²Webb, "Problems," 104. Similar declarations in 1860, by members of

have the liberty to do all that will not result in public injury; without the laws the workman has *liberty* unlimited, but his need for a quick supply of food leaves him the *power* to do nothing but accept whatever dangerous conditions the employer may offer. As trade unionism makes for all unionized shops a common rule of wages and of connected conditions, shifting the competition of employers to management and to use of machinery, so factory laws make for all a common rule of hours, ventilation, etc., preventing competition in saving by drawing on the health and safety of the workers. For justifiable competition, unionism and factory laws leave plenty of room. What they prevent is inhumanity toward the weak.

With Women and Children the Justification is Ample for Many Restrictions in conditions of labor. Those women and children who work in factories are seldom sufficiently independent to take care of themselves. By the highly perfected system of labor laws of Massachusetts, which leads the American states in this respect, and ranks now perhaps near Great Britain and Switzerland,¹ no minor under eighteen years, and no woman, can be employed in a factory more than fifty-eight hours a week, nor between 10 o'clock at night and 6 o'clock in the morning. Every workshop employing five or more women or children must be so ventilated and cleaned as to avoid injury to their health, so far as practicable. Suitable toilet rooms for each sex separately are required. No child under fourteen may be permitted to clean machinery in motion, and no child under thirteen may be employed anywhere during school hours unless during the year next preceding the time of work he shall have attended school thirty weeks. Up to thirteen years the state reserves the time of children for growth and for school, to

Parliament that had opposed the ten-hour law of 1847, are quoted in Prof. George Gunton's "Wealth and Progress."

¹In educational facilities for the middle and lower classes, Great Britain is yet far behind the advanced American states, and far behind Switzerland and Germany. The British free public school system was not established until 1870, and now, together with the many endowed private schools, gives high school instruction to a very small proportion of the common people, though few of their children, whatever the school facilities, could afford to refrain long from going to work. Lack of education as the chief handicap of British industry is ably discussed by Alfred Mosely in *The World's Work*, Jan. 1903.

prevent neglect of their own welfare, and for the sake of intelligence in its future citizens. Healthy, moral, intelligent people make a healthy, moral, intelligent state, and rise higher than they could without these qualities in material wealth and aggregate well-being. By preserving its people, through factory laws, the state preserves itself. So far as in any age the state is lacking, and its laws to enforce justice, regular production languishes, barbarism prevails, and many of the weaker perish. In cities and factory towns it is not safe to trust the employment of children to their parents. Unlike country districts, acquaintance of people with one another in cities is not sufficient to admit of restraint by public opinion, while in factories and stores there are opportunities to work children hurtfully, to the employer's profit.¹ Parents are often ignorant of the injury,

¹**Work by Children** on farms, as work at home anywhere, and light jobs for them in cities during school vacations, are beneficial to health and character, and are an essential part of practical education. In the mind of a child growing up without the discipline of having regular home tasks to perform, in addition to the tasks of school, there is usually a fertile field for discontent and bad habits. But, to avoid checking growth, it is doubtless best that no one under about fifteen years, however strong, should undertake to work regularly for wages in a factory, shop, or store. Fourteen years is the limit of the law in a number of American states—sixteen years in some states for children unable to read and write in English. In New York the factory inspector may refuse permission to work to any minor who lacks the requisite strength. The British law permitting children of eleven (now twelve) to fourteen years to work in factories half the day, with compulsory attendance at school during the other half, seems as much as the state can afford to grant in child labor, whatever the family's need of the child's earnings.

Why Child Labor Does Not Pay. For the same reason that, whatever the emergency of widowhood or orphanhood, it would be foolish in the parent to make a boy weakly, short-lived, and ignorant for the sake of the pittance he could earn between eight and ten,—it is almost as foolish to put him to work between ten and fourteen, since for every dollar he earned then he would ordinarily be incapacitated for, and prevented from, earning twenty dollars later (in many cases before reaching twenty-one), besides the loss to himself in reduced total of enjoyment during life, and the loss to the state in his life's reduced total of wealth production. If the children of the poor, by means of charity and of various shifts, can be supported without wage work up to eight and ten, there is no good reason why they cannot be supported in the same way up to fourteen. For its own gain the state can well afford to assist from its poor funds, while, in view of the object and the

and sometimes care more for the wages than for the child. Such matters as ventilation, fire escapes, and enclosing danger-

temporary nature of the state aid, parents and child would be less pauperized than lifted up in purpose and resourcefulness. Generally, perhaps, under rising pride, they would contrive to do without the state aid.

Short-Sightedness and Inhumanity, in permitting child labor, have sometimes gone to lengths almost incredible. Eighty years ago children as young as five and six years were found at work in British cotton mills, and children's wages were an encouragement to early marriage and large families, as the case is now in Lancashire, the average family of the factory operative being considerably larger than the average in the total working class of England. (*New England Magazine*, Dec. 1901.) A few of six to eight years, in the cotton mills of the Southern States, have lately been working as unpaid helpers of older sisters, and many of nine and ten years for wages, eleven and twelve hours a day, often in a night shift. In Southern mills a bright girl of ten earns in some cases as much as 75 cents a day, though more commonly half that sum; many children earn only 20 cents, and on down to 10 cents, the average in North Carolina, for children under fourteen, being 29 cents in 1901. Young children in factories, as a rule, are pitifully thin and pale, often staggering from weakness at quitting time. The injury is made worse by their eating a cold dinner in the mill air within twenty minutes, and by the poor housekeeping in their homes.

The Profit in Child Labor Necessitates Regulation by Law. Strong opposition to child labor laws by some employers, especially those in the textile and glass industries, shows that, under certain conditions, such labor is profitable to them. This profit, it is evident from the rapid increase of child labor during the last ten years in the South, and in some states of the North, would soon lead (among employers depending on cheapness of labor instead of good management) to the brutal parasitism on child life that blackened the early history of the factory system in England (page 182). With English experience as a guide, there is no excuse for permitting such abuses to grow up now. A lady investigator, writing in the *World's Work*, Oct. 1901, stated that Alabama's law of 1887, fixing the day at 8 hours for children, was repealed in 1894, on the promise of Massachusetts capitalists to build a mill in Alabama, which mill in 1901 worked 50 children 11³/₄ hours a day; that much of the opposition to the new law was from Northern owned mills, whose proprietors avoided the child labor laws of their own states by building in the South; and that 1,200 under twelve were in Alabama mills, 30 per cent under twelve in one South Carolina mill. Many ignorant operatives in the South want their little ones to work, not noticing their pale faces and fragile forms, and being taught in some cases that "God put it into the hearts of good men to build the mill" that affords employment.

Present Child Labor Laws Must be Made More Effective. As shown by Mrs. Lillian Betts in *The Outlook* of March 14, 1903, the child labor law is almost nullified in New York city by parents who swear that

ous openings could not be entrusted to unions, few of whose members fully appreciate their importance to health and safety,

children of ten and twelve years are fourteen. Many hundreds of such children are in the large factories. Though in late years more complete work by factory inspectors (New York state now has over fifty, including a number of women) has been fairly successful in keeping children out of sweat-shops, little can now be done to remove factory children having false age certificates. It would seem that it will be necessary to go further in ignoring parents' statements and in having the age and strength of children passed upon by a health officer, as was required to some extent by a New York law of 1899. (Since the preceding matter was written the New York law of 1903 has been enacted, providing for further inquiry as to ages.) Minnesota, whose age limit is sixteen, the highest that is demanded even by unionists and socialists, and whose average is one child worker to 96 adults against 33 for the whole country, imposes a fine on the parent as well as on the employer for breaking the child labor laws.

The Policy of the Lower Working Class, especially foreigners (see Miss Addams's "Democracy and Ethics"), to depend on children for support has very bad effects. Besides stunting the children's growth, preventing their education, and turning them by exhaustion and bad associations to drunkenness and vice in general,—it also induces parents to have families too large, to give up work too young, and to neglect efficiency and thrift. In recommending large families President Roosevelt meant of course those parents able to let children grow and attend school until at least fourteen, and meant especially the many well-to-do couples who now have few children or none, and who are being variously harmed in character by their anti-social selfishness, while decrease of the higher and increase of the lower grades of people are endangering society's progress. Strict enforcement of good laws on child labor, on compulsory education, and on tenement house regulation, would soon bring a marked improvement in the crowded and increasing slum people, with whose mercenary votes, bought with jobs and favors, the boss now threatens the success of American institutions. So long as the law permits them to follow their shiftless and mercenary instincts as parents, they will hardly become fit voters.

New Laws in the South to Restrict Child Labor. Up to 1903 child labor was unregulated by law in Southern cotton mills—probably the only ones in the world not thus restricted unless exception is made of the few mills in China. The let-alone doctrine has always prevailed in the South, partly by reason of slavery; and factory laws were specially objected to because of the desire to attract manufacturers. But in 1903, previous to which time Tennessee, Louisiana and Florida were the only Southern states having an age limit for children in factories (some had for mines), laws fixing an age limit for factories were enacted in Virginia, Kentucky, Arkansas, Alabama, the two Carolinas, and Texas, and enactment of such a law was favorably considered in Georgia. Alabama and South Carolina make their

while among unorganized workmen, in mines or factories, few restriction light. The former permits none to work under ten, none under twelve unless the father is dead or disabled, and none under thirteen at night. Under the Wisconsin law the county judge determines whether work by a child under fourteen shall be permitted by reason of family need.

Agitation for Child Labor Reform has lately been more active in America than ever before. For several years in the South, to obtain new laws, it has been carried on by press, pulpit, women's societies, and committees of influential citizens, aided by the labor union and philanthropic sentiment of the whole country (as in England sixty years ago). In the North the agitation has been almost as strong for improvement of existing laws. New York's law of 1903, just enacted, extends age and hour limitation from children in factories and stores to those in the streets, regulating messenger service, and fixing an age limit for bootblacks at twelve and for newsboys at ten.

Street Life Makes Boys Averse to Regular Work when older, and is terribly effective as a school in vice and crime. Because with a few exceptional boys street life has proved to be an advantage, as a stepping stone to higher things, is no more an argument in its favor than is army life in a bloody war to be desired because by such life many a man has been benefited. New York's new law also, for the large cities, repeals the previous permission of vacation work between twelve and fourteen, and forbids factory work by a young child as helper of an older sister. The movement for child labor reform has been likewise active in Pennsylvania, where the coal strike investigation revealed wholesale use of false certificates or disregard of law in the working of children in coal breakers and textile mills, the latter running at night. A new law of 1903 raised the age for coal breakers, but the textile employers defeated the clause relating to their industry. In Illinois too a large increase of child labor in Chicago aroused attention that led to enactment in 1903 of a child labor law considered a model. It forbids work by boys at night—still permitted in the glass works of Indiana, Pennsylvania, and New Jersey. A new law was especially needed in Illinois, because, for work in the glass factories at Alton, bad people had gathered and adopted many orphans from adjacent cities. In Germany the socialists are now urging reduction of child labor, claiming that a million under fourteen are employed there. In Great Britain also an effort to check overwork of little children after school hours is being made. (*The Forum*, 1902.) See figures and recommendations, *U. S. Bulletin*, Sept. 1903.

Increase of Child Labor. In the United States wage earners under sixteen years in manufacturing increased 59 per cent between 1870 and 1880, decreased 34 per cent in the next decade, and increased 40 per cent in the next decade, to 1900, the total in that year being 168,624, against 181,921 in 1880. The decrease during these two decades was caused by new laws. In Massachusetts children under sixteen comprised 5.05 per cent of all wage earners in manufacturing in 1870, but only 1.94 per cent in 1890—increased

would be prepared to refuse employment because of unnecessary danger.¹

to 2.5 per cent in 1900, the number in that year (12,556) showing an increase of 45 per cent over the number in 1890 (8,667). But in South Carolina the number increased in this decade from 2,309 to 8,560 (271 per cent), the children forming 10.15 per cent of the total in 1890, but 17.8 per cent in 1900. South Carolina leads in child labor, both in increase and in percentage of total workers. The effect of Massachusetts laws may be seen in her small percentage of total as compared with that of South Carolina. In the entire South the factory children under ten years are believed to exceed five thousand (J. G. Brooks), and there are more girls than boys.

Effect of Removal to Cities. In Great Britain, from 1881 to 1891, there was a remarkable increase of factory workers under fifteen, of both sexes, due largely to removal from country to city. This must be mainly the cause of the late increase in America. The comparison against the South in the increase of child labor is mitigated considerably by the fact that, her cotton mills being new, there was with her a greater change than in the North from man-employing to child-employing manufacturing. Also, a child in the South is as mature at twelve as one in the North is at fourteen, and in Southern mills windows are open most of the year. Because even to the employer child labor is unprofitable when judged accurately, it has lately been decreasing fast in the South, apart from the agitation against it. (*Am. Jour. Sociology*, March, 1903.) In few cases will the able employer, with good machinery, worry long with child labor, however low its pay.

Necessity for Tenement Laws. Especially are laws necessary in cities, under the complicated systems of water supply and sewerage, to keep buildings in safe and sanitary condition. Instead of being small, isolated houses controlled by one family as in the country, they are high structures in solid blocks, crowded by many families, including a large class so poor and heedless that they would rent and live in places fit only for pigs if such tenements were permitted to exist. In the brisk demand from such people for rooms, property owners gain by neglecting repairs. A recent bill urged by them to amend and weaken the New York tenement law was opposed, not only by philanthropic societies, but also by many of the tenants themselves, who know that the law is their dependence for light and air. In recent years many slum buildings in New York and London, condemned by the city authorities, have been torn down and replaced by the owners with structures modern and healthful.

Better Housing, secured in this way and by cheap transit to the suburbs, is perhaps the chief means of elevating the poor. Nothing is more effective than a pleasant home to awaken self-respect and effort to improve. In Europe housing for the poor is a serious matter, partly because of the rapid growth of cities. In Berlin, about twenty years ago, the annual death rate among 70,000 living in single rooms was 163 per 1,000, while in families having three or four rooms it fell below 20. In England, about the same

Laws Only Where Necessary, however, is the rule. Few laws are required to protect wage workers in the farming states that have no mines or large factories. State laws licensing doctors and dentists found qualified, and prohibiting others from practising, seem clearly desirable. In these two professions it is easy to impose on the ignorant. The buyer of their services cannot determine for himself whether he is getting good value, or whether he is being seriously harmed. There is an extension of the same principle in the recent laws of many states for licensing barbers and plumbers, whose work relates to the public health. Some states regard the welfare of horses, with laws licensing blacksmiths. Of course, state restrictions might be multiplied until mediæval conditions were restored, and by treating buyers as children or as imbeciles the licensed sellers were given, to their own gain, considerable monopolistic power. It is best to let people take care of themselves where they can do so effectively. The blacksmith law was declared unconstitutional in Illinois, on the ground that for such a restriction of freedom of contract and of work there was no reason of danger to public health or welfare.¹ An owner able to keep a horse will see defective shoeing and prevent its repetition, and whatever the injury it will not spread to the public, like those contagious diseases of cattle and trees the state rightly controls by law.¹

time, the death rate for children under five was less than 3 per cent for the upper classes, but between 6 and 7 per cent for the whole people. (Brooks, 247.) Many thousands in Berlin now live underground. London has 149,524 tenements of one room, 2,000 of which have 5 or 6 occupants. They have decreased from 172,502 in 1891; those of 2, 3 and 4 rooms increased.

New Zealand Carries Labor Laws Further than any other country, but is now nearly equalled in this respect by Victoria and New South Wales. In New Zealand no woman may be employed in a work room more than 48 hours a week (and no man since 1902). She may work overtime only 28 days in a year, not exceeding 3 hours a day, not over 2 consecutive days, and not at pay less than 12 cents an hour. A permit to work overtime must be obtained from the inspector. No person under 18, and no woman, may be employed for more than 4½ hours without at least half an hour for a meal. This is a rule by law in Great Britain, and seems to be a good regulation, as are some others of New Zealand requiring Saturday or Wednesday afternoon holidays, which in Great Britain, by the better force of union demand and custom (by law for cotton mills), are coming to prevail in many industries, with the result of preserving and improving Sabbath observance. In New Zealand all stores, excepting such as those of druggists and confection-

Anti-Truck and Weekly Payment Laws. Many states have statutes requiring wages to be paid in money, not in truck—that is, goods from a store kept by the employer; and statutes re-

ers, and even street hawking, are required by law, with a penalty as high as \$25 fine, to be closed at 6 o'clock, and all offices, excepting such as those of railways and newspapers, must be closed at 5. The closing hours for stores in New South Wales are 6 for four days of the week, 1 for one day, and 10 for one day, these days being determined for the different districts by proclamation of the governor. Drivers of milk wagons must be given one holiday each week. The store hours of West Australia are 8 to 6. Other radical labor laws of Australia are described in Chapters XII., XXI., and XXVII.

What Will Be the Results? As in Australia the people are sufficiently independent and capable to take care of themselves (are not like the tribal villagers), and as these colonies have no large cities and not much manufacturing, it seems that with them labor legislation is seriously overdone. In their socialistic determination to keep the ablest from getting too rich and powerful—to have the state conduct the railways and many other services at cost in order that there may be the least opportunity for private income from rent, interest, and profits—they will no doubt find that the people's gain in holding back the few is greatly outweighed by the people's loss in holding back and enfeebling the many, together with the industries upon which depend the welfare of all. A nation afraid to give freedom to men's enterprise will reap in stagnation the penalty reaped by a family of sons who are afraid to go out of sight of home; and besides, energy that is prevented from serving by building and trading is easily turned to robbing by political scheming. The danger to liberty from the power of the rich and shrewd would hardly be so great as the danger from growth of petty tyranny in such laws as those for Australian stores. In needlessly forcing people to do what they would have done by choice, such laws remove the need for and dry up the morality which would lead to righteous choice in other questions that will arise in time. Nothing would more quickly destroy the spirit of friendly helpfulness among neighbors than to have state officers inquiring around to enforce it. If morality is to exist, it must be depended on. The state, it would seem, restricting its interference by law to the minimum that is unavoidably necessary, will find its wider field in teaching and encouraging the people to emulate and get the benefit of the ability of the few, and thus to secure the best in service and progress while overcoming the danger of being mastered.

The Fact that Tyranny is Voted Upon Themselves by the people does not make it greatly different from the tyranny of the past, all of which grew up by consent of freemen who might have averted it if they had had a tithe of present opportunities to learn from history. Instead of the king and his barons maintaining tyranny and dividing the spoil, Australasia has employers protected by tariffs, and unions of skilled workers favored by law in

quiring wages to be paid weekly or fortnightly, excepting employees on railways and in some other occupations. These laws have been set aside in a number of states for infringing the right of free contract, especially when applying to others than corporations, which are created by the state with conditions, and hence do not possess all the constitutional rights of persons. Frequent payment of wages promotes keeping out of debt, and saving of money, as well as that quickness of turning goods into money, and money into goods, that utilizes capital to the utmost, builds up business, lowers prices, and raises wages. Sailors, who get their pay at long intervals in large sums, lack experience in handling money, and are perhaps the most improvident of all workers. Anti-truck laws are necessary to prevent gross imposition by overcharging ignorant miners or laborers. When these are employed at a distance from settlements, the company store is a necessary evil; but it often flourishes near towns, sometimes under an apparently separate firm, upon the patronage of employees whose wages are absorbed in the free buying promoted by credit, and who find out that their positions are safest if they give it all their trade. It has seemed a pity, in some cases, that the state did not possess more power as to company stores, and as to regulating the weighing of coal mined by the ton. To protect the poor and ignorant here, somewhat as children, is not class legislation, but is proper exercise of the state's police power.¹ But the validity in most of the states, as in England, of anti-truck laws, may be extended to all the states

various ways. These strong and united interests, together with a state bureaucracy comprising in Victoria about a twelfth of the adult males, might find it easy and profitable to fasten a heavy parasitic burden on a submissive and divided, though much larger, remainder, many of whom could be made to believe that the burden was for their own benefit. Moreover, what is at first tyranny may soon become necessary regulation, since by submitting to it people sink to the mediæval condition of incapacity for self-direction.

¹F. J. Stimson, "Hand Book to the Labor Law of the United States," 112, 130. This useful book, published in 1896, and a small volume of the previous year by the same author, "Labor in Its Relation to Law," give a brief summary of their subject for the general reader. The labor laws of most of the commercial countries of the world are summarized in the *U. S. Labor Bulletins* of 1900-1903; also in one volume of the Industrial Commission's reports, 1900-1902.

by the example and influence of a United States Supreme Court decision of 1901, upholding a Tennessee law that requires company store orders to be redeemed in money after thirty days.¹

A Fair Wage Clause is inserted in the contracts for public work in many cities of Great Britain, requiring that the wages paid by the contractor be at the prevailing rate of the locality, which is the union rate of places unionized, and is generally construed to mean the union rate. Also, goods are bought only of fair houses. This form of concession to workingmen has long been made in many American states, by city ordinances or state laws fixing the pay of city laborers somewhat higher than the usual rate, or resulting in payment to inferior men of a higher rate than they could get from private employers. In England, until after the labor commission's inquiry in 1894, public wages, as a rule, were a little lower than private, yet the difference was balanced with holidays and greater steadiness of work. But the fair wage clause has appeared in America for public contractors also, as well as for men hired by the city directly. New York's statute, requiring in every public contract a clause making the contract void if "the prevailing rate of wages" was not paid,—was declared unconstitutional in 1901. Reasons stated by Judge O'Brien included the following: Because the statute permitted and required expenditure of public money for other than public purposes, and thus took property of taxpayers without due process of law; because, the city not being the agent of the state in local improvements, the statute invaded rights of liberty and property (for no reason of public health or safety) in denying to the city and to the contractor the right to agree with employees on wages; because in such denial it attempted to make innocent acts penal.² (This

¹*U. S. Labor Bulletin* No. 40. A needed law for protecting the worker from involuntary spending was the British statute of 1884 prohibiting use of liquor saloons as meeting places for payment of wages. To some extent saloons have been thus used in America by certain grades of contractors. One success of the lake dock workers was getting rid of contractors that kept saloons themselves, and held the workers in a kind of serfdom.

²*U. S. Labor Bulletin* No. 35. The Indiana law requiring officials and public contractors, on criminal penalty, to pay at least 20 cents per hour for common labor, was set aside in 1903, for being class legislation. Such it certainly seemed to be. Not specifying that only those workers worth the rate should be hired, and it being impossible to find enough men of such efficiency,

ruling was applied in a later case to the city's direct employment as well as to contractors.) Two of the seven judges dissented, on the ground that specifying the pay of labor specifies its quality, as does specifying the kind of materials in a building contract. This is doubtless untrue (and there are reliable ways of specifying quality of labor) in the many cities having non-union employers that do some kinds or grades of work as well as or better than others whose men are in the union, and that also do the work at lower prices. The city's extra payment there for higher wages would not be for value received, but to favor unionism. Moreover, the New York statute, as stated in the decision, made the city a trustee for enforcing a law enacted in the interest of private parties (the unions), and thus caused the city's powers to be used for purposes foreign to the constitution. In any place well unionized the union generally includes the men of all or most of the employers of the better grade; but there, it would seem, the high quality and full value of union labor would be clear enough to secure contracts on merit alone, without help from state law. Also, in places where the union was unpopular, it would probably gain influence more surely by proving merit than by attempting through legislation to force public work into the hands of its members.

Requiring Employment on Public Work of Union Labor Only. This is going considerably further than the fair wage clause, which, in the case of common labor not closely unionized, might benefit outsiders as well as unionists. Ordinances in a large and now rapidly increasing number of American cities require city work to be done by union labor alone, and require certain supplies to bear the union label, the latter rule being common in the case of city printing. It was decided by a Chicago court in 1898 that the board of education had the right to provide in a building contract that only union labor should be employed, if in its judgment trouble might thus be

the law encouraged and required a free gift above market pay to laborers, but no such gift to men hired at hourly pay above 20 cents. Also, if state charity was to be given, it could not be confined to public laborers, when many times more other laborers were just as needy (page 415). The different reasons of the New York decision were also given by the Indiana Supreme Court (see *Bulletin* No. 48; also *Bulletin* No. 47 for conclusive reasons of unconstitutionality in Ohio's eight-hour law for public contractors.)

averted, and public money spent to best advantage. That would seem to be a sufficient reason, more solid than the claim of superior quality of union work—avoidance of labor trouble being a valuable consideration; but such action by the board, if work of as good quality could be obtained of non-unionists more cheaply, would indicate a yielding to duress, to expectation of intimidation and violence.¹ Later in 1898 a union labor ordinance was passed in Chicago applying to all city contracts. The state supreme court, in December, 1900, citing other decisions to the same effect, declared this ordinance unconstitutional, because it “amounts to a discrimination between different classes of citizens, and lays down a rule which restricts competition and increases the cost of work.” In the same decision the

¹For the members of the board to disregard their own chances of re-election would be commendable rather than otherwise, and so it would be for them to ignore unionist disapproval that did not obstruct the work, if unionism was overdone, and if the non-unionists had good reason for their attitude (page 203). In the latter case the board would not have the private business man’s reason for incurring even high cost to avoid a boycott.

But Later the Illinois Supreme Court upheld a taxpayer’s right to an injunction to prevent the board from carrying out a contract at a cost of \$2,090, when the same builder offered to do the work for \$1,900 if the union labor clause were omitted, the builder saying that he did not necessarily expect to employ non-unionists, but that it would be worth to him the \$190 to have the liberty to do so in case of necessity. Previously, to induce the building trades council to call off a strike on a school building, and to avert such strikes in the future, the board had agreed with this council to insert the union labor clause always. The court said that neither by requirement of the legislature, nor by its own discretion, could the board constitutionally insert the union labor clause, and thus discriminate in favor of a class (unionists), raise cost by limiting bidding, and require the contractor to give up his right to hire any one he chose. “The individual may, if he chooses, give away his money; but the public officer has no such liberty, and no right to surrender to a committee, or any one else, the rights of those for whom he acts.” (*Labor Bulletin* No. 22.) But see page 539.

Unionism in Employment Offices. For similar reasons this court set aside in 1903 the state law establishing free employment offices, and requiring that their lists of applicants be withheld from employers struck against. Here the purpose of the discrimination seemed good, as a means of securing the co-operation of the workers, some of whom object to these employment offices because of their usefulness to employers in strikes. It would be regrettable if these offices, so useful to women and unskilled men, should be opposed. But the state can hardly be the agent of unionism, which, so far as

court declared invalid also an eight-hour ordinance of Chicago applying to public contractors, saying that no statute can provide that the employer and employee (where no matter of health or safety justifies exercise of police power) may not agree with each other as to what time shall constitute a day's work.¹ Sim-

it is justified, will not need such help. As the confidence of both employers and workers is needed to make these offices successful, it seems that they might receive all applications from both sides without raising the question of unionism, any further than to notify applicants of a strike, as one of the conditions of the employment offered. This is recommended by the Industrial Commission. In the field where unionism is settled and permanent, comprising nearly all the skilled trades, the workers rarely need employment offices or public help of any kind. They have wages easily kept high, have the union's out-of-work benefits, and are assisted to positions by the union's local officials and by its national journal's trade reports from all parts of the country. (Illinois re-enacted the employment office law without the invalid clause, and so did Wisconsin. California, 1903, will punish (\$2000 and 1 year) for hiring with false report as to strikes. Is it valid?)

¹Constitutionality of Laws Regulating Labor for Public Contractors.

"That part of this clause in the specifications which makes the contractor liable for a forfeiture of his contract if he allows employees to work more than eight hours in one day is unquestionably void and unconstitutional." (*Labor Bulletin* No. 37, Nov. 1901.) A year earlier the Supreme Court of Kansas, as it has done since, upheld such a law (*Labor Bulletin* No. 28), on the ground that through it the state, its reasons being immaterial, simply set the length of day for its cities and counties, as a person can do in the case of hiring on his behalf by his agents; and that contractors knew of this rule in bidding. In Kansas requiring more than eight hours was criminal, the defendant contractor being held in jail. In setting aside a Sacramento eight-hour ordinance about ten years ago the court said that to make its violation criminal by one not a city official was outrageous, and that it was invalid even in a civil suit. In the New York fair wage case mentioned above, the penalty was forfeiture, as in Illinois, and the city refused to pay the contractor. This confiscation was given by the New York judge as another reason of unconstitutionality.

Extra Cost to the City, by Reason of the Short Day, would be money not spent for a public purpose; and this would apply to workmen hired by the city directly as well as to those hired by its contractor. However, the city, by the New York and Illinois decisions, may pay higher daily wages and allow shorter days than private employers, in the case of its own direct employees, if not stopped with injunction by taxpayers charging a waste of public money, but may not constitutionally hold a contractor to forfeiture or criminal penalties for violating such provisions in his contract. He brings the matter into court, while in the case of direct employees it is not contested. In the Kansas decision it seems to be overlooked that an agent spends the

ilar eight-hour regulations have been declared unconstitutional in a number of states, and also laws setting wages for public employees. These ordinances indicate that unionists took advantage of their political power over aldermen to get employ-

money of the person directing him, while a city does not spend the money of the legislature, whose power as to such spending is limited by the rights of taxpayers. It seems unlikely that other high courts will hold that the state's reasons for limiting the day in public work to eight hours are immaterial, as would be the case with a person directing his agent. The U. S. Supreme Court in 1876 (94 U. S. Rep. 404) regarded the federal law of 1868 "chiefly as in the nature of a direction from a principal to his agent that eight hours is deemed to be a proper length of time for a day's labor, and that his contracts shall be based upon that theory." This implies that in the contract the wages should be adjusted to hours, as was done (so far as the law of 1868 was observed), not that the agent should, as was doubtless expected in Kansas, pay for eight hours the usual rate for ten, instead of hiring by the hour as the Kansas contractor did. However, for limiting the day in public work to eight hours, if practicable without waste of public money, the state would probably have sufficient reasons now in the near approach to eight hours in private industry, and in the beneficent effect of the state's example (page 411). Constitutional power thus to limit the day for its direct employees is indicated by the quotation above.

The Eight-Hour Law Still Constitutional in the State of New York.

In limiting public work to eight hours there need not necessarily be a waste of public money, since the daily rate of private industry for more hours may be lowered, or with that rate unchanged faster work may be required, or employment may be restricted to superior men (page 421). Perhaps these reasons were in mind when the eight-hour clause of the New York fair wage law was unanimously sustained in 1902 by one branch of the Supreme Court, but not the court of final resort. In this late decision the court deemed as controlling in the matter an earlier decision in which a court of four judges unanimously held the eight-hour clause of Buffalo's charter, applying both to direct employees and to contractors (and being merely directory as the national law had been held), to be not contrary to the state or national constitutions, though later a high court held that its violation could not be made the basis of an indictment for misdemeanor. (*N. Y. Labor Bulletin*, June, 1902). But to fix hours and wages *both*, as permitted by the Kansas decision, would involve great risk of waste of public money, since by union monopoly (page 236) the prevailing rate can be made artificially high, and since in determining what that rate is there is wide room for favoring voting workmen at the city's loss. Hence, the constitutional amendment now pending in New York (passing the legislature and apparently destined to be ratified by the people in 1905), for authorizing fair wage and eight-hour clauses, may be found to conflict with the constitution of the United States. Where unionism is very strong, as

ment which they deemed the net value of their work insufficient to secure; also, to set for public work a shorter day than was required to earn their wages in private work. If eight hours were the rule, the ordinance would be unnecessary. A charge of taking unfair advantage they might deny, on the ground that in any selling to the public it is customary to overcharge a little when practicable.¹

in New York, the state constitution may not be a sufficient bar against spending of public money for other than public purposes.

The Latest Blow to Eight-Hour Laws was given by New York state's highest court in April, 1903, in a unanimous decision declaring one eight-hour law for contractors unconstitutional, on the ground that it discriminated arbitrarily and unjustly between the men of contractors on public work and the men of contractors engaged elsewhere. Such a law certainly is an attempt to confer a favor on the former which the state has no power to confer on the latter, and which the latter's industry either does not need, having a short day already from natural conditions in the labor market, or in the absence of such conditions could not bear. Unless by competitive examination the effect of high pay and short days to draw the best men is fully utilized, as in the postal service, all these laws are likely to result in waste of public money and in injury to the cause of labor (page 414). Yet, by seeing that efficient men are hired and pay is earned in direct employment, and that conditions imposed on public contractors are beneficial to the people as a whole, not raising cost nor wasting money,—the eight-hour day can doubtless be made just, desirable, and constitutional in public work, and may become the success it now is over a large portion of the private field. Another eight-hour law still remains in force in New York state, which, for its violation, makes a public contract void. The law set aside in 1903 imposed a criminal penalty in a fine of \$500 to \$1,000, besides imposing forfeiture of the contract at the option of the city contracted with. (*N. Y. Labor Bulletin* No. 17.) When the eight-hour day has become settled in any work, overtime pay (page 414) will be implied for extra hours, as was lately done by a district court in the case of a war department employee. (*U. S. Labor Bulletin* No. 44.)

¹An extreme case of unionist ingenuity, in the attempt to use law to force market conditions, was the recommendation of two witnesses before the Industrial Commission that patents be issued with the condition that in producing the patented article, and all goods it is used to make, the work day shall not be over eight hours.

To Avoid Gaining From Sweating. In 1901 an ordinance of Paterson, N. J., giving the city printing to union shops, was declared void, for discriminating in favor of a private organization. Such ordinances have been passed in many American cities. Socialistic writers would say, with assent from unionists in general, that the city's gain, from getting by award

Wage and Hour Regulation in Franchises is the latest means of using law to get more pay for workers than their labor will sell for in the market. One street railway franchise in

to the lowest bidder equal quality and value for less than a union employer's charge, would come from the non-union employer's sweating of his workmen. This would be inconsistent with the claim that union workmen earn their high pay more fully than others earn their low pay—a claim that perhaps is usually true in the higher grades of work; though even then the non-unionists might be sweated by reason of bad quarters and poor machinery. However, with men, there is little trouble in this matter. Those able to do good work are just as able, as a rule, to avoid being sweated; while others, in America at least, are so slow and dull, require so much watching, and are so ready to drop out of a job, that of the two parties the one most likely to be sweated is generally the employer. To whatever extent sweating prevailed, it would seem that by arranging the specifications to require high quality of work, modern equipment and prompt execution, the sweaters might be excluded from bidding—and this for the object of securing good value to the city rather than to help unionism.

In the American Army's Contracts for clothing the clauses requiring that all the work be done in factories conforming to state factory laws are doubtless constitutional, by reason of the consideration in thus guarding against disease. But such would not be the case here with the British contract clauses, which prohibit home work and subcontracting, and provide for fair wages and a short day. These things are doubtless desirable for the general welfare, but not when thus forced in favor of a few at extra cost to the government, with the results of promoting parasitic scheming and of stifling proper self-help. But the only sub-contracting prohibited is that not customary in the trade. And perhaps in the British cases the workers are so thoroughly helpless that the clauses may aid in improving conditions without exposing the government departments to risk of loss by union scheming. All is done under the inspection of officials, and under the discretion of boards, not by fixed statute.

Where the City Should Hire Unionists Only. Yet where the city itself, not its contractor, is the employer, it will generally find it profitable to the whole public, where unionism is strong, to follow the private employer's example and hire unionists only, complying with all the union conditions. An official can rightly do this in exercising his discretion, but it is unconstitutional, and a surrender to conditions of extortion by the union, for the city council by ordinance to take away the official's discretionary power, and thus require him to hire unionists, even though, as a private employer, he might save money and prevent injustice by hiring from an adequate body of non-unionists. Such an ordinance raises cost by restricting bidding by workers, as the Chicago school board's rule restricted bidding by contractors. If there are not enough of suitable non-unionists to

Berlin requires the company to pay old age pensions, and one in Paris requires of the company, for its men, ten-hour days, six-day weeks, ten-day vacations, pay while sick, free medical service, and accident insurance; and it also sets a minimum wage. Like factory laws, the time and insurance regulations are good, being beneficial to both sides and to the public, and being liable to neglect without law. In Detroit a street railway franchise limits the day to ten hours. But the sick pay and free medicines will not only lessen the employee's ability to care for himself but, in America at least, would be overcharged for by the company, in keeping down wages and in fast working. As to the minimum wage, so far as there was difficulty in finding enough men able to earn it, and so far as lower grade men would be preferable at their properly low market wages, the company would rightly reimburse itself well by raising charges or by keeping the service below what it would otherwise be—by a tax on the public, the working class included. This effect no possible regulation by the public could avoid. For excessive regulation the company would reimburse itself in the same way. A business is carried no further than it pays, and pays as well as other business in reach. Moreover, high grade men would be taken from their own proper work and put into that of low grade men more deserving of aid; and extra pay above market wages for the work done would not only be a charity dole to a favored few, but would tend to be well bought in the demoralizing effort of scheming for jobs.

Raising the Worker's Standard of Living. A writer in *Municipal Affairs* (winter 1902-3) says that the maintenance of a proper standard of living among quasi-public employees is as much a matter of public interest as guarding neighboring property, or as securing the safety of travelers. To this one must agree, especially if all other workers are included with the

be hired, the unionists will get the work, both from the city and the contractor, without the ordinance. If there are enough of such non-unionists at lower pay, the unionists have no right to the work. So far as unionism rests on a right basis it can do the organizing itself, and does not need to get work or get members by a forcing process of unjust law. Similarly, eight-hour laws are desirable where they are directory, leaving officials some discretionary power to contract for other hours if advisable for the public, and where the pay and the efficiency make the short day just to taxpayers.

quasi-public; but for maintaining the standard what is the state to do? Public pay above market wages is as truly charity, and just as demoralizing (page 433), as is doling out relief to any whose wages are low. To raise the standard of life and character, and not to make it worse, the state can only protect the worker with a few laws as to hours and safety, and teach him to get better pay by earning it.¹

The Right to Employ and to Discharge. Courts set aside in 1901 Illinois and Wisconsin laws forbidding discharge, or refusal to employ, because of membership in a trade union. A similar statute had been set aside in 1895 in Missouri. In these laws, enacted in many states, and applying not only to public contractors but to all private employers, the effort among legislators to please working class voters was carried pretty far. In effect, the employer was even forbidden to prefer a force of non-unionists, since in choosing them where a union exists he would be excluding others because of unionism. The Illinois court declared the law unconstitutional, not only because it granted a privilege to union men not granted to other workmen, thus denying the latter equal protection, but also because it deprived

¹**The Eight-Hour Clause in the Tunnel Franchise of 1903**, under which the Pennsylvania Railroad Co. will spend about \$50,000,000 at New York—a clause fought for persistently by trade unionists but omitted at last on the company's determination not to build at all if it was inserted—was defended on the ground that the usual eight-hour rule in New York city building trades would be broken by bringing in outside men. The mayor, and members of the franchise board, relinquished the clause because the tunnel was to be a great inter-state work, not a local matter, and hence employment from a wide area was necessary to obtain enough men and to avoid monopoly wages. But if the work were simply local, do the building trades—already protected by the impossibility of doing their work elsewhere and shipping it in—need the additional protection of keeping away new men? In neither of these respects are other trades protected. Have local workers a right to high pay and short day advantages that are not so well balanced by higher quality and speed of work as to be no monopoly tax on persons having work done, and hence as not to require artificial protection against inflow of outsiders? It is true that home people should have the work if they are about as desirable as others (page 243), but it is also true that to giving home workers due preference employers are sufficiently held by the local disfavor to be incurred by bringing in outsiders without good reason.

employers of liberty and property without due process of law. "Liberty includes not only the right to labor, but to refuse to labor, and consequently the right to contract to labor, or for labor, and to terminate such contracts, and to refuse to make such contracts. One citizen cannot be compelled to give employment to another citizen, nor can any one be compelled to be employed against his will."¹ The rights vehemently contended for by unionists, as to leaving employment at will, and as to involuntary servitude (see next chapter), imply corresponding rights with the employer as to discharge. Requiring one to pay wages to a man he did not want to hire would be depriving of property. The clause forbidding one to refuse to employ on account of unionism has been thought of as more obviously untenable than the clause forbidding discharge; but the latter is practically the same as the former, since in work by the day each additional day involves at least a tacit renewal of contract.

But the Employer's Rights in Buying Labor are Not Unlimited, and this is true apart from the settled restrictions of factory acts as to ages, sex, and hours. The statutes of many states prohibiting employers from attempting to influence the voting of employees, as they have done, by threats of discharge, by political matter printed on pay envelopes, or by placards indicating a suspension of work in case a certain party won an approaching election,—have not been contested, are obviously wholesome, and are probably necessary in some communities if political liberty is not to be practically destroyed. Also, to promise employment in order to influence one's vote is clearly a form of bribery, which, in direct forms at least, is illegal in all advanced countries. A Wyoming statute of 1893 prohibits any employer, on penalty of \$100 fine, from requiring or demanding

¹*U. S. Labor Bulletin* No. 35. The New York Court of Appeals held in 1897 that an agreement between an association of employers and a union (page 211), that none but unionists shall be employed, is unlawful, though voluntarily entered into on each side. (*Indus. Com.* XVII. 569). Such a case seems different from that in which unionists may (when the object is to advance themselves and not to injure others) lawfully drive non-unionists from a trade by refusing to work with them (page 210). Then the combination is of unionists only, while in the other case it becomes too formidable by including employers, who are required, usually against their will and without sufficient personal interest, to boycott non-unionists.

of an employee, on any condition whatever, the surrender of any social, political, moral, or religious right. It seems clear that our jealously guarded religious rights also, if employers were to make conditions concerning them, might constitutionally be protected as well as political rights; and a similar view might be taken of the right to join a trade union, now admittedly essential to the existence of real liberty among the workmen of many large employers. It was probably because it simply prohibited attempts to influence by threat, that Ohio's law protecting the right to join a union was upheld by a court of common pleas.¹ But to discharge a man because he had voted a certain way (forbidden by some of the statutes), or had joined a certain church, or did not trade at a certain store, would seem to be the employer's right if not connected with any kind of threat. There would then be no attempt to influence or coerce. As the Illinois judge said,² an employer might say, "I am not employing union men," so it would seem he might lawfully say that he was not employing Democrats or Baptists. In the two latter cases, to avoid offending customers, he would not state the actual reason, having the right to keep the reason to himself. Undoubtedly a large proportion of the people buy at certain stores, and stay away from others, on account of the proprietor's religion, or lack of it.³ Buying of the good is praised.

¹*U. S. Labor Bulletin* No. 26. The Florida law of 1901, forbidding an employer to require his men, on penalty of discharge, to trade at any particular store, would be valid as an anti-truck act. But this law would seem also to be valid in the absence of a company store, since such conduct would be an intolerable interference with private rights, though by employees, as by all others, patronage is often voluntarily placed with a view to gaining favor.

²*U. S. Labor Bulletin* No. 35. In many cases it has generally been illegal to coerce by threatening to do things that are lawful. By the common law, much striking, picketing, boycotting, and persuading of employees to leave work, are allowable that it would be unlawful to threaten for the purpose of coercion, or to carry out by combination. (Stimson, smaller book, 93.) In a strike for the unlawful purpose of injuring the employer, or of forcing him to join in a boycott of a third party, not for the purpose of benefiting the strikers, it would be the combining, not the leaving, that might be punishable as conspiracy. If under time contract, the combining might be conspiracy even without the unlawful purpose of injury. (Stimson, Handbook, 35, 213.)

³"It is a Part of Every Man's Civil Rights that he be left at liberty

However, despite what has just been said as to necessity of unionism, employers undoubtedly have, and sometimes exercise, a constitutional right to combine for their own advancement and in so doing to conquer or break up unionism by threats of discharge and of refusal to hire;¹ because unionism, unlike politics

to refuse business relations with any person whomsoever, whether the refusal rests upon reason, or is the result of whim, caprice, prejudice, or malice. With his reasons neither the public nor third persons have any legal concern." (Cooley, Torts, Sec. 238. Quoted in a decision in *Labor Bulletin* No. 39, page 500.)

"It is the right of every person, natural or artificial, to employ or refuse to employ whomsoever he may wish; and he can not be called upon to answer for his judgment in that regard by the public or individuals, nor can the motives which prompt his action be considered." (Ohio Supreme Court, *Labor Bulletin* No. 42, p. 1117.)

These laws as to hiring unionists are the "clearest sort of interference with individual liberty, and cannot possibly come under the exception of the police power." In seeking "to impose such compulsion upon the employer through the hand of the state, still more when so doing is made a crime, the law effecting this result, though passed by a majority, is none the less tyranny in a free country." (Stimson, Handbook, 182.)

¹In 1894 a high court of New York, in a case not appealed, held that a combination of employers has the right to lock out all members of a union because of demands deemed unjust. (*U. S. Labor Bulletin* No. 26, p. 21.) This was done in the British engineering trade in 1897, and in the Chicago building trades in 1900 (page 231). But this New York court's decision at the same time, that the unionists may use the boycott and persuade customers not to deal with the employers combined, has fallen before later and higher decisions. Their combining throughout the trade to strike balances the employers' combining to lock out. To balance the employees' boycott, the employers would have to resort to the blacklist, and induce outsiders not to hire them.

Witnesses testified (Indus. Com. IV. 132) that the federal law of 1898, forbidding discrimination against railway unionists, is ignored by several companies—that on one system west of Chicago any employee found by its detectives to be a unionist is discharged. The brotherhood chiefs favor enforcement of this law, but prefer trusting to their unions rather than to a law regulating discharge. For burden placed on the company by such a law it would reimburse itself by keeping down wages and raising charges, besides taking care to hire none of unproved desirableness. For each worker who gained a net benefit in forced security of employment, there would be a dozen who lost in lessening of work and lowering of wages, besides the other public losses in checking business. (See discussion of compulsory arbitration, Chapters XXVII. and XXVIII.)

and religion, directly and aggressively affects their business interests, and because unionists continually exercise the right, when combining for their own advancement, to do all they can to conquer or break up opposing employers by threats of striking and of refusal to begin work. A law forbidding discharge or refusal to employ because one was a Christian would arouse a tremendous hue and cry, especially among socialists and their many unionist followers; yet the number in this country who disbelieve Christianity is doubtless many times smaller than the number who disbelieve unionism, and for opposing Christianity the employer in an occupation not immoral would not have the good reason of business interests. In fact, because of unionism's aggression on his business, of the violence and unreasonableness by which it is too often marked, and of the large body of opinion unfavorable to it, the employer would seem to have a right, by discharge or otherwise, to oppose unionism if he has a right to oppose anything. It is doubtless true that all these attempts by law to force unionism on employers have materially injured it, by turning the public mind away from its merits.¹

Making Wage Workers a Privileged Class. As indicated in the preceding pages, many labor laws, which often are passed by legislators desiring to gain the favor of clamorous voters, are declared unconstitutional when they reach the supreme court. It is well that courts check labor legislation until the need for it is clear to a public opinion prevailing among a large majority, and acting, outside of class influence, on the strict merits of the case. The general practice of giving claims for labor preference over other debts, and of exempting wages from attachment up to about \$50 a month, or to a balance any time of about \$25,

¹**Unionism Has So Abused the Public Lenience** that to a large extent the latter is now giving way to strictness. The employers' association of Kansas City, said to have a membership of nearly 8,000, is working for the repeal of that city's favors to unionism, including its eight-hour system as now enforced, its letting of printing to union shops only, and its licensing of engineers by a board composed entirely of unionists. Despite obvious badness and unconstitutionality of these laws, the typographical union, in its demand that public school books bear its label, has lately succeeded in inducing the school book trust to unionize its plants, through a Montana law of 1903 requiring the school commission to contract for no books not bearing the union label. Trusts and unions are alike in scheming for illegal favors. A law favoring union printers was lately set aside at Nashville, Tenn.

together with many regulations for mines and factories,—are doubtless necessary to prevent hardship and injury. But there is need to guard against making wage earners a privileged class. It has become almost true that in a contract the laborer is held by law to nothing, while the other party is held to everything. In regard to nothing else but personal labor is one party free to keep a contract or not while the other party is held. The unionized trades (few labor laws apply to farm and common work) might soon be drawn much further in their present tendency to claim monopoly rights, similar to those of the mediæval guilds (page 305).¹ For favors unnecessary to protect from wrong, nature will exact a costly return, not only from society but from the workers themselves. By no ingenuity in law (page 342), no more than by robbery on the highway, can one class, especially the unshrewd workers, ever get a dollar in value from another class, beyond what is willingly accorded in exchange or is required by the highest welfare of all, that does not bring in some way upon the gaining class two dollars of loss. A worker's proper safety in exemption of wages is a trifle when it leads him to run into debt, to lose credit, self-respect and industry, and to necessitate rise of price to consumers by adding to the risks of business, and by diminishing his life's production. For the trouble caused by such a worker, the merchant giving credit reimburses himself with usury, by means of high prices and poor goods. The unreliability of such a worker adds to the burden of all, and rarely is he shrewd enough to secure from his trickery a net gain for himself. Merchants giving good values have nothing to do with such a customer except on a cash basis. Needed regulations by law save labor power, increasing product and wages, but harassing restrictions, increasing the cost and trouble of carrying on business, soon bring wages lower, and lessen employment.

(Stimson, smaller book, 27, 37.) Mr. Stimson, who is the leading authority on labor law, and who in an address in 1895 (not however in his larger book next year) took the workers' side on the question of injunctions,—shows how unfounded is the common and regrettable notion of trade unionists that the courts are against the working people. He says that legislatures and courts have gone far toward making the workers a privileged class, while the public bears good-naturedly the most arbitrary action by them when they have a just grievance.

Laws on Every Side to Lean Upon will soon make a leaning people. Securing highest wages in public work by law, if not accompanied by a strict rendering of full market value, discredits unionism before the people, weakens their support in strikes, and tightens their caution in personal dealings with workmen. The reputation of a certain building trade for high charges, often jokingly exaggerated, causes many people to suffer inconvenience in order to do without its services. The typical worker of the highly paid building trades, many householders believe, smokes, drinks, and wastes time wantonly when sent out of the employer's sight, and consequently, in view of the charge by the hour, they dread to have him come on their premises. That this feeling materially reduces employment is not to be doubted. The laws of some states by which large preference in public work is given to old soldiers are doubtless intended not to gain votes but to reward deserts, yet very probably they have a general effect to weaken the soldier's self-respecting efficiency,—to make him depend on favor instead of on rendering full value for his pay. So far as the laws have this effect, or as it is even suspected, they must narrow the soldier's chances in the far more important field of private employment. Few things are more carefully avoided, by the employer following business principles, from which not many depart far and survive, than hiring a man who feels that the world owes him unearned a part of his living. Each employer, not considering himself the world, tries to insure that the claim is not collected from *him*. The public favor to be gained by hiring those deemed to deserve help is likely to be outweighed by the risk that with the employer's treatment of them the public will not be satisfied (page 380). Hence, many employers take the safe course of having nothing to do with them. Extra favors deserved are likely to come in largest measure nowadays, not to the worker who is active to claim them, but to the worker who shows cheerful willingness to earn his way.

CHAPTER XX.

THE INJUNCTION IN LABOR DISPUTES.

“ **Government by Injunction** ” is a term of reproach applied by trade unionists in the United States to the practice by judges of granting injunctions to restrain strikers and labor organizers from committing various acts in trade disputes. The term became prominent between 1890 and 1895, in connection with a number of railway strikes, though the first use of injunctions in labor disputes had taken place as long before as 1868 in England (the first one being issued to stop a boycott), and they had occasionally been issued meanwhile in both countries. The prominence of this use of injunctions arose chiefly from the fact that in construing and enforcing the Inter-State Commerce Act of 1887, and the Sherman Anti-Trust Act of 1890, the ordinary methods of strikers were mainly forbidden by courts to employees of railroads. In 1893 the issuing of orders by Chief Arthur of the engineers’ brotherhood, to enforce its rule that engineers of one road (the Lake Shore) should refuse to haul cars of another road struck against (the Ann Arbor), was restrained by Judge Taft with an injunction (commanding Arthur not to order a strike and to rescind a boycott order already given) on the previously usual ground (1) that such boycotting and the conspiracy back of it—actionable for damages and sometimes criminal—inflicted on the railway company’s business and property, and also on the public, a damage serious, continuing, and irreparable; and also on the additional ground (2) that the Inter-State Commerce Law, which makes it criminal for one railway company to refuse to handle the cars of another, applies to a company’s employees as well as to its officials. In the great strike of 1894, on different railways extending from Chicago, injunctions to restrain E. V. Debs and his associates were issued on the ground (3) that their American Railway Union was a combination in restraint of inter-state trade, and hence was in violation of the Sherman Anti-Trust Act, which, for the pro-

tection of the public, expressly authorized restraint by injunction. This act was designed for combinations of employers and dealers, but a clause excepting labor unions, though brought before a congressional committee, was not inserted, and would have made the act unconstitutional. Another ground for the Chicago injunctions of 1894, apart from the authority conferred by the federal laws mentioned, was (4) the federal government's constitutional powers and duties in the care of interstate trade, upon whose unbroken continuance depends the welfare of millions of people. Still another basis for the Chicago injunctions was (5) a law of Congress against interference with passage of the mails. For conspiracy to obstruct the mails a Railway Union official in California was imprisoned for eighteen months. The 1894 injunctions, issued in most of the large cities west of the Alleghanies, were not usually granted to railway companies, but were sued out by the Attorney General of the United States, to protect the public under these various laws. One purpose of the federal court's injunctions in the Cœur d'Alene mine riot of 1892 in Idaho, suppressed by federal troops as were the Chicago railway riots of 1894, was to protect public rights and peace. The noted injunction of Judge Jenkins in 1893, to restrain Northern Pacific employees, was mainly based on the ground (6) that as the railway was in the hands of the court's receiver, the court had special powers and duties to protect its business; and on the ground that incitement of the employees of a receiver to strike, though no injunction had been issued, was a contempt of court, a labor organizer named Phelan was sentenced in 1894 by a federal court at Cincinnati to six months' imprisonment.¹

¹The court stated, however, that if, to resist reduction in the wages of the receiver's employees themselves, Phelan had peaceably induced them to strike, he would not have been liable to contempt, even though the road's operation had been seriously impeded, but that the unlawfulness of his act was the purpose to boycott Pullman, by forcing the receiver to cease dealing with him. Intimidation as the dividing line between lawful and unlawful interference with a receiver's employees was stated in a Colorado case in 1885, and in the great strike on the Texas and Pacific in 1886. On the ground of receivership, without injunction, some men of an Indiana mob in 1877 were punished for contempt in obstructing trains, and two Wabash strike leaders for the same offense in 1885. (U. S. Report on Strikes, 1901, p. 952.)

Opposition by Organized Workmen to Use of Injunctions has been strenuous. Agitation for this purpose was recommended by the American Federation of Labor as a leading effort of trade unionists during 1902. At some places an "injunction day" was observed. Steps were taken not long ago at Chicago by unionists to form an anti-injunction society, to raise money for defending strikers involved in injunction cases, and to agitate for anti-injunction legislation, which for some years has been sought from Congress and from different state legislatures. The injunction is one of the main subjects of discussion in unionist periodicals and speeches.

The Fine or Imprisonment Without Trial by Jury, which a judge has the power to impose for contempt on one who disobeys an injunction, is the chief reason offered by unionists for their opposition. They say that while the judge ostensibly punishes for the contempt, he really punishes in many cases for a crime, and, by the settled rules of procedure, the accused is deprived not only of the cherished right of trial by jury, but also of the rights to summon witnesses in his behalf, to be confronted by the witnesses against him, and to have the benefit of the various delays and safeguards of criminal trials. But the reply of the courts to this seems conclusive. The single act enjoined is two offenses: the one is the contempt in disobeying the injunction, to which alone the punishment by the judge applies; the other is the crime against the laws, in the trial of which, if the accused is prosecuted, he has the benefit of trial by jury, and of his various other rights in criminal proceedings. That the act committed is also a crime against the state, as well as an unlawful injury to the employer's property and a contempt of court, seems to add to the justification of the punishment imposed by the judge, since in labor disputes there is rarely a prosecution for the crime, and much more rarely a conviction. Dependence is placed, it is alleged, on the extraordinary process of injunction, instead of on the regular criminal procedure, because for contempt the judge punishes quickly and arbitrarily, and is disposed to favor the employer, while in criminal trials the jury follows the slow process found essential to preserve liberties, and is disposed to favor the worker. A conclusive reply to this, it seems, is that the judge's action is justified in his protection of the property, which, by reason of the strikers'

financial irresponsibility, is wholly unprotected otherwise. The offenders can still have their trial by jury if the public prosecutor enforces the law well enough to proceed against them for crime. The judge's action is fully supported on grounds that can be utilized in no other way; and the fact that the injunction, in addition to fulfilling its own function of protecting property, has also some effect to remedy the neglect of officials to enforce the criminal law, is not to be deprecated as usurpation, but is a public advantage.¹

¹**An Authoritative Statement of the Law of Injunctions** was made in 1895 by the Supreme Court of Missouri (*Labor Bulletin* No. 4). Counsel for the strikers admitted, and even quoted a statute to show, that they were committing a crime in attempting, with threats of personal violence, to force about five hundred women, girls, and young persons to leave a shoe factory, but contended that for the crime they could only be tried by jury in a criminal case. This line of thought, the court replied, would lead to the end that the Constitution guaranteed every man a right to commit crime, so that he might enjoy the inestimable right of trial by jury. A court of equity will not interfere by injunction, the court said, to prevent commission of a crime, but when the crime involves also irreparable injury to property an injunction will be issued to prevent the latter, though the crime may be incidentally prevented also. Equity will not interfere when there is adequate remedy at law, but the damage to the shoe factory's business could not well be estimated, and from the strikers could not be recovered, because of the necessary multiplicity of suits and of their lack of property to be attached.

Plenty of Opportunities for Trial by Jury are often left after the punishment for contempt. Of Arkansas coal mine strikers who in 1899, as avowed in threats, combined and armed themselves with deadly weapons to openly attack the officers of the United States in the discharge of their duties, the judge said: "These defendants were guilty of false imprisonment every time they detained by force, arrested, or guarded a man on that day; they are subject to indictment for robbery or larceny for each gun they took from the negro miners; subject to indictment for criminal conspiracy; subject to prosecution for assault and battery, for disturbing the peace, for riot, and other misdemeanors; and a number of them are subject to prosecution for perjury in this court." Of the defence of ten strike leaders arraigned for contempt, a defence apparently typical in such cases, the judge said: "Summed up, it presents a sickening, disgusting, palpably false, and utterly insufficient defence, at once both shameless and shameful. If this court should accept their testimony as true, it would at once forfeit the respect of all honest men, and become the object of ridicule and contempt by these defendants, and would rightly deserve to be regarded by

That Injunctions Involve a Dangerous Exercise of Power is asserted and dwelt upon eloquently by trade unionists, by a few writers among lawyers,¹ and by many newspaper editors, the apparent purpose of the latter being to defend and win the favor of unionists rather than to study the matter without bias. But to a disinterested third party it would seem that the public risk in unjust punishment of strikers without jury trial is a trivial matter compared with the public risk in criminal violence to non-union men, and in unlawful injury to the employer's trade and property—all to go practically unpunished if left to ordinary criminal prosecution, and none of the strikers having property to be taken by suit for damages. To the people as a whole, government by injunction is surely preferable to government by mobs. In a large strike it is not uncommon for a half dozen men to be killed, dozens or scores of them beaten, property and business unlawfully damaged to the amount of perhaps millions of dollars, and large sections of the community terrorized. On the other hand, now and then several strikers, for contempt, are fined without trial by jury, or sentenced to a few weeks or months of imprisonment, afterwards to be honored by their fellows as martyrs or sufferers for the cause. In these days of general laxity in criminal punishment, when so many guilty escape, in the tendency to lose liberty through unbridled license instead of saving it through proper restriction, and in the present influence of organized labor over opinion and politics,—under these conditions it is absurd to say that in issuing injunctions (at least with the restrictions recommended below) there is serious danger to the rights and liberties of workmen; but such is often momentarily true as to the rights and liberties of others who happen to stand in the strikers' way. Where properly issued, as it usually is, it is not the injunction that is a menace to constitutional liberty, but the lawlessness, which comes first and makes the injunction necessary for liberty's preservation.

A Proof of Strength in American Institutions—an encouraging assurance that they are to be sufficient for present and future emergencies, as they were for those involved in the Civil War as its injunction has been treated by them, with contempt, contumely and defiance. (*Labor Bulletin* No. 25.)

¹See Industrial Commission's Reports, XVII. 611.

War—is what the unbiased patriot must eventually see, it would seem, in the use of injunctions in labor disputes, despite the mistakes some judges have made. That this use is new is no objection, but on the contrary a welcome proof of adequate reserve power in government. It was for new emergencies, not provided for in the ordinary laws, and involving serious injustice if these laws were depended on, that injunctions came into use in England five or six centuries ago, and that they have been resorted to ever since, and that their use was continued unchanged by the American Constitution of 1789. It was only lately that strike conditions reached the stage in which injunctions are needed; and it is a reason for their use in strikes, rather than an objection against it, to point out that in their other uses the property injury enjoined does not bear the extra weight of being also a crime. Injunctions have been issued less frequently in England than in this country, but boycotting and strike violence have been less frequent there also, and officers of the peace there have better performed their duties. In the Taff Vale case of 1901 intimidation by a crowd in picketing was stopped by injunction, as doubtless it would have been in America.

To the Imperishable Honor Won by Chief Justice Marshall and his associates, by so construing the Constitution as to make the young government a success, and not a failure, will be added in history the honor deserved by the courts of to-day for their courageous efficiency in preserving the institutions committed to their care. Public censure of the high courts is far less influential to-day than it was in the time of John Marshall. And the mistakes and bias of present courts, in making some injunctions one-sided and too sweeping, as discussed in the paragraphs below, do not seem greater than ought to be expected in adapting the law to new conditions. In adapting and interpreting the law, developing it according to public conditions and needs, courts are not, as has been charged, changing the government by insidious encroachment, but are simply fulfilling an acknowledged and necessary function. The fact that the infamous secret Court of Star Chamber, used by Charles I. to suppress liberties, punished with the same kind of power as that used then, before, and ever since by ordinary courts in punishing for contempt, is no more of an argument against con-

tinuing this power in the latter than the use of the army to intimidate the Roman Senate, and the abuse of power in all ages by kings and officers, great and small, would be arguments for having no army at all, or for giving no power to the President. It is just because the rights of free speech and trial by jury were won only by centuries of struggle, that injunctions are now used, where other methods fail, to preserve the inalienable rights of liberty and pursuit of happiness (also won by centuries of struggle) against destruction by mobs and boycotting conspiracies. To be free from boycotting tyranny and strike terrorism, while yet welcoming as now necessary large industries and trade unionism, is an inestimable right that is being struggled for now, and against an opposition that must be viewed very superficially to appear patriotic.¹

¹Tests in Which the Courts Were Not Found Wanting. One test was the contention of unionist counsel that by settled rules of equity an injunction cannot be issued to prevent commission of a crime. The answer to this has been given above.

Another test was the contention that by the rules each person enjoined must be named and served with notice individually, and that hence there was illegality in the many "blanket" injunctions of 1894 and since, addressed not only to a few leaders named, but to their abettors and to "all persons whomsoever," notice being given by conspicuous posting and by newspaper publication. The reply was that impracticability of getting names, and of individual service, justified such notification in this case, as in the many other cases in which general publication is the means of giving legal notice. Only those are bound by the injunction who actually know of it, however the knowledge comes. In issuing a blanket injunction the judge is not legislating by usurpation, as is claimed, nor making an executive proclamation, since those concerned are a comparatively small and very definite group, who, without the injunction, defy the ordinary laws with impunity.

A third test was the contention that injunctions could be issued to protect property only, and that of none but private parties, but could not be issued in favor of the government, as was done in the railway strike of 1894. The reply was that the government has a property interest in the mails, and that besides it deserves credit instead of blame for stopping violence peaceably through the courts, instead of applying at once the harsh and final remedy of suppression with bayonets. These and other contentions were settled in the Debs case by the court of last resort, the Supreme Court of the United States, and in none of these important points, it seems, did any of the justices dissent. Similarly the New York Supreme Court has said that for all concerned it is better to have law breaking re-

To Make Lawful Anything Short of Actual Violence by strikers, and also to make violence itself practicable to resort to without much risk of punishment, must be the real object of unionist opposition to ordinary injunctions, as by the only reasonable conclusions such is the object of the vehement opposition to calling out the militia (pages 214, 240). Even though violent acts are not committed, strikers get the benefit of them so far as their easy practicability results in scaring non-unionists away.¹ The resentment aroused among unionists in 1893 by

strained in time by a court, in which parties can be heard, than to let it continue until by calling out troops force must meet force.

A fourth and very important test was the action of the Virginia Supreme Court in 1899 in declaring unconstitutional a statute requiring for contempt the usual jury trial when the act enjoined was a crime, unless the contempt was committed in the court's presence, or consisted of threatening or resisting a court officer. Practically none of the contempts in labor disputes are of this direct class. The ground of the Virginia decision was that the people, by the Constitution, created separate and distinct, not only the executive and the legislature but also the courts, and gave the latter all the power of self-preservation they had exercised for centuries; and hence, that as the legislature did not give these powers, it cannot take them away. Statutes similar to this one declared void have been proposed in Congress, and in the legislatures of different states.

From a standpoint of disinterested public spirit, one must accord admiration to the courts, and to American institutions, for these and other proofs that there is to be no evasion or nullification by what at best seems only quibbling, but that instead there is to be a full adequacy of power and action for all requirements. (See *Indus. Com. Reports*, Vol. XVII., for the arguments on both sides.)

¹When in 1902 the anti-injunction bill, passed by the lower house of Congress, was so amended by the Senate as to except acts involving danger to life or property, labor leaders, it is said, wrote privately to Senators that such an amendment would destroy the value of the proposed law. (*The Nation*, April 23, 1903.)

The Wide License Desired in Picketing. To the claim that the meaning of the word intimidation, in the Pennsylvania statute, permits anything short of actual violence, the supreme court said in 1897: "This is a most serious misconception. The arguments, and persuasion, and appeals, of a hostile and demonstrative mob have a potency over men of ordinary nerve which far exceeds the limits of lawfulness. This display of force, though none is actually used, is intimidation, and as much unlawful as violence itself." (*Labor Bulletin* No. 26, p. 33.)

"Conceding that a number of strikers could remain in the vicinity to see what was going on, yet when the number became a crowd, and when the

Judge Jenkins's assertion that "no strike can be effective without compulsion and force," must have arisen from the element of truth in his assertion, since, if it had been wholly and clearly untrue, denial would have been unnecessary, and excitement over the matter unlikely.¹

acts expanded into occasional attacks on property, and abusive language toward employees, and interference with those seeking to enter the yard, the 'guard' became a coercive instrument. A permanent guard in a public street in front of a factory is in itself a nuisance." (*Labor Bulletin* No. 31, p. 1290.)

"But when persuasion took the form of the multitudinous camp and the gun and the pistol and the armed force, it entitled the complainant to his lawful remedies, quite as much, to say the least, as picketing or besetting, which are held to be a nuisance, and suppressible as such.... If this court cannot protect the rights of a citizen in a case like this, there is a decrepitude in judicial power which would be mortifying to every thoughtful man." (*Labor Bulletin* No. 41, p. 858.)

No Hardship from the Injunction. "The jurisdiction of a court of equity to restrain the defendants is too well established to be called in question by any one familiar with the decisions.....To grant an injunction will work no hardship, nor even hamper the actions of any law-abiding person. Indeed, no one without a purpose to commit an unlawful act would be affected thereby. It is the undoubted right of workmen to quit severally or in a body, so long as the act does not come within the rule against conspiracies to injure the property of another. They may also use peaceable means in persuading others to join them in carrying out the strike.....A man may hold himself to certain rules, but he cannot impose those rules upon the conduct of any other man, against his wish, any more than he can place fetters upon his hands or shackles upon his feet. And when, as in the case at bar, the attempt is made, through intimidation and acts of violence, to effect this end, it is tyranny of the most despotic character; it is civil war; it is treason to the principles of this and almost every other government. It will not be tolerated." (Quoted from a United States circuit judge in Illinois. *Labor Bulletin* No. 38, page 184.)

Enforcement by Strikers of Their Own Injunctions. In granting an injunction in 1901 a federal circuit judge in Ohio said: "It would not be urged for a moment that this union could rightfully have obtained from any court the injunction against the employer, and the non-union men, which in this strike the union has attempted to enforce. If courts should exercise great care in issuing injunctions, it follows with more force that a self-constituted body of men, deriving no authority from recognized law, should not be permitted to originate edicts for the government of others, and attempt to enforce them by any means whatsoever." (*Labor*

Questionable Injunctions—Strikes of Railway Men Forbidden. But the opposition to use of injunctions is far from being on a level with the opposition to use of the militia. Some

Bulletin No. 40, page 640.) A short time before a federal circuit judge in Ohio said: "The right to work as one pleases.....is a right not so much of property as of liberty.....which not even state legislatures can impair, and certainly not strike organizations." (*Indus. Com.* XVII. 578.)

A Judge Taking the Unionist's View. The judge of the circuit court of a Kentucky county denied in 1901 an injunction against striking plumbers, who persisted in using violence to stop the employer from carrying on his business, publishing him as unfair, assaulting and threatening to beat him and his non-union workmen, and bringing his business to imminent ruin. The judge's reasons for the denial were that the remedy for the offences was the state's criminal law, and that for a judge to enjoin and punish for contempt was a dangerous exercise of power. (*Labor Bulletin* No. 37, page 1203.) Denial of injunctions for such reasons is what unionists desire. Few cases of denial for these reasons have occurred. This case from a lower court of a state (one of the courts that as a rule are closely under the influence of local voters), is the only one yet reported in *U. S. Labor Bulletin*, which has contained many cases of views similar to those quoted in the preceding paragraphs—from state supreme courts elected by the whole state for long terms, and from United States courts appointed by the President for life, and hence in position to judge a case independently on its merits. No doubt the state criminal law ought to be a sufficient remedy, as strikers, by obeying the laws everywhere, ought now to make injunctions unnecessary and thus settle the whole question. But where injunctions are issued, the state criminal law, by reason of delays and of non-enforcement caused by the unionists themselves, is virtually non-existent for the needs of the case, while in the absence of violence the ruining of a business by the conspiracy of boycotting is not as a rule sufficiently criminal to lead to arrest, and damages from strikers are practically never to be obtained. Sometimes the local government is partly composed of and altogether dominated by strikers or unionists, and officers are careful not to see, or to justify, violence and weapon carrying on the strikers' side, but are eager to arrest men on the employer's side for carrying weapons, and for a use of them that is prejudged to be aggression and not defence. Under such conditions, without an injunction there is no remedy at all, and strikers can carry their point by violent coercion, trampling with impunity upon the property and personal rights of employers, non-unionists, and the general public. "If indeed courts of equity did not interfere in cases of this sort [trespass involving irreparable damage], there would, as has been truly said, be a great failure of justice in this country." (Justice Story.)

Another Judge Favoring the Union. In 1902 Justice Gaynor, of the New York supreme court, denied an injunction to a firm of bookbinders,

injunctions cover so many acts as practically to prevent striking. In Judge Jenkins's injunction of 1893, Northern Pacific employees were forbidden not only to conspire, but even to quit

but said the strikers should be careful to break no law. He said that no violence had been done; that the employers, it seemed, had caused the trouble by posting a refusal to recognize the union, and that "wiser employers have learned that it is convenient and useful to recognize unions and deal with them." But the appellate court unanimously granted an injunction against everything unlawful, because, though the only violence had been the pulling of a man across the street, there was much intimidation, in threatening to "do" and "fix" the non-unionists, to lay for them and blow their brains out, etc. (*N. Y. Labor Bulletin*, No. 14.) Surely, it might be wise in the employer to recognize a union if such trouble was to be the alternative, but hardly wise for the state to permit such holding up to secure agreements.

In the Dissenting Opinion of U. S. Circuit Judge Caldwell in 1897 (83 Fed. Rep. 912), against issuing the injunction that restrained a Kansas City union from boycotting a firm using machines to hoop barrels (page 222), he made at length the usual and untenable contention (page 550) as to taking crimes from the jury by turning them into contempts. The statement of the complainants, that the boycotters were men of small means, he referred to with indications of a departure from the matter of a justice that knows no class, and of appeal to the common prejudice in favor of the poor in law suits. This fact of small means, making damage suits useless, was a reason for the injunction. The fact that unions have achieved so much in uplifting the workers is a reason why they do not need, and why by injunction they should be denied, resort to law breaking in the boycott and in violence, which only lately have come into use, and which result only in net injury to their cause. And the fact that labor, in the words of Lincoln, deserves more consideration than capital, is a reason why law breaking should unfailingly be suppressed, and by injunction prevented, since if the conspiracy of the boycott is to be permitted the workers will soon be brought to abject submission by employers united in blacklisting, and in refusal to hire unionists or buy goods they have made.

The Workers Favored by the Law as to Combinations. In Judge Caldwell's assertion that only that boycotting done by the workers is resisted as unlawful, not that done by the trusts, he overlooked the many statutes (upheld by courts) against the practices by which trusts attempt to destroy competition, instead of honestly meeting it; and he overlooked also the case in which the manufacturers' boycott of the Dueber Watch Co. was held to be unlawful. In 1898 the highest court of Illinois affirmed an award of \$6,000 damages against officers of an association of laundry proprietors, which by the usual persuasion and threats of the boycott attempted to drive out of business a woman laundry agent who refused to raise her prices. In 1901 such an award was upheld in Wisconsin against a livery

work, with or without notice, regardless of conspiracy, in such a way as to cripple the property or hinder its operation. If this injunction had been strictly enforced it would not only have prevented collective striking, but might have necessitated involuntary servitude, forbidden by the Constitution, since not many proprietors' combination that resorted to ruthless breaking in upon funerals served by non-members. On the contrary, and not considering the unconstitutional exception of laborers in anti-trust laws, it is the side of the workers that is favored. To advance their own interests they may and do freely combine with every worker they can win, and may and do drive non-unionists from the trade by refusing to work with them. In their boycott of an employer of non-unionists they may appeal to the public, may actively urge those in the trades directly concerned, and do not break the law until their urging, with the implied threat that is the effective element, is carried to the outside public. But the employers in a trust would not dare (for fear of buyers' disfavor and of law enforcement) to openly injure a competitor by unreasonable rebates or by refusal to sell to persons buying of him; while a trust directly attacking a competitor, as workers do in a boycott extended to the outside public, would at once be restrained by injunction, as would also be a boycott or blacklist conspiracy among employers to break up unions. The present tendency, of courts not less than of legislatures, is to permit unionists, in their hounding of an obnoxious man from the trade, to go to the last limit of reason in desire to benefit themselves and in absence of desire to injure him (page 209). But on the contrary, the tendency of courts, now as heretofore, is to hold trusts to the minimum of attack on others. A trust would not dare (for fear of injunction, damage suit, law enforcement, or public disfavor) to mention competitors or trade unions by name in an attack on them, as unions openly attack by name in boycotting. Courts universally uphold the right of workers to combine to secure a price for labor, but have almost universally held it to be unlawful for employers to agree thus on a price for goods. (Stimson, 182.)

The Unanimity of Courts in Favor of Injunctions. This one of Judge Caldwell is the only dissenting opinion, in a boycott or injunction case, that has been published in *U. S. Labor Bulletin* (bi-monthly, established 1895). The practice in this journal, as in the state labor departments generally, is to be carefully considerate toward trade unionism. Other cases of denial or dissent in injunction matters before supreme courts are mentioned on pages 563, 572. No other such cases have come under the notice of the author of this book, nor are any other such cases given by the Industrial Commission. In view of Judge Caldwell's failure to see in the boycott the active urging (with the underlying threat) of third parties, and of his failure to view the injunction as a property remedy leaving trial by jury unaffected, it is not surprising that in his position on these questions he has stood virtually alone among judges of high courts.

men could have quit even individually without hindering the road's operation. But ten months later Justice Harlan, of the circuit court of appeals, modified this injunction, and declared that although a strike of railway men involved special disaster to the public, there could be no prohibition of the right to quit work, even though the quitting were done with reckless disregard of contracts and of public interests. In the earlier case of 1893 Judge Taft declared that the injunction, requiring Lake Shore employees to handle Ann Arbor cars, could be escaped by quitting the employment; that under some circumstances quitting might be criminal or actionable, by reason of endangering life or property, but could not be prohibited by injunction. The quitting, however, was to be in good faith and unconditional, not a mere temporary cessation of work, as by a striker, in expectation of an order to go on without the cars. For such a cessation for five hours, accompanied by the declaration "I quit," the engineer Lennon was fined \$50 and costs for contempt of court. The strongest statement of the doctrine that by injunction railway employees may be compelled to perform their usual duties so long as they remain in the service, was made by Judge Ross in a case of the Southern California Railway in 1894, his grounds being that by refusal the employees subjected the company to great damages, and also interrupted the mails and inter-state commerce. Both quitting and conspiracy to quit, only the latter of which acts is criminal or actionable when done to injure the employer or non-unionists (pages 209-12), were held by Judge Taft to be criminal when, by refusal of employees to handle cars, a railway company was forced into the crime of violating the Inter-State Commerce Act.¹ Under this act and the Sherman Anti-Trust Act, an

'Where Merely Quitting Work is Unlawful. "Also, the Supreme Court of the United States seems to hold quite distinctly that the mere cessation of employment is illegal when it is in pursuance of a wide-reaching combination of railway employees to refuse to handle certain cars, with the design of so injuring the railways and the public as to lead them to bring influence to bear upon another person to carry out a particular line of action." (Indus. Com. XVII., page cxxi.) It must have been on this ground, and also because of the public injury and of the employer's being a receiver, that in May, 1903, a Denver court enjoined gas workers from going out on a sympathetic strike (page 233), though they had been excepted from the strike order by the general labor committee. But to the general rule that

extreme statement, perhaps not concurred in by many judges, was made by a federal judge in 1894 of the unlawfulness of strikes by railway men and telegraphers. He said that, owing to the dependence of the life and welfare of large sections of the people upon regular transmission of commodities, a strike or boycott will now be practically impossible among railway men without their violation of these two statutes.

Recent Injunctions in Railway Strikes. Between 1894 and 1903,¹ though there were a number of strikes of railway shopmen, yardmen, and freight handlers, there were no strikes that so interrupted passage of trains as materially to injure the public, and no noteworthy injunctions in railway labor disputes. But in the spring of 1903, under the two inter-state commerce statutes mentioned, team drivers' unions were temporarily restrained somewhat closely in regard to picketing and persuasion in strikes at Kansas City and Omaha; while the officials of the brotherhoods of firemen and trainmen were temporarily restrained from ordering or advising a strike on the Wabash system. These injunctions were based mainly on the seriousness to the public of obstructing inter-state commerce. Judge Taft's injunction of 1893 against ordering a railway strike rested at bottom, it seems, on the fact that the strike was a criminal boycott of another company's cars. Judge Jenkins's later injunction against ordering or advising a railway strike was so modified by the higher court as apparently to permit such action by the brotherhood officials. The Debs injunction of 1894 prohibited peaceable persuasion of men to quit or to refuse to perform their usual duties; but it was doubtless based on the fact that the strike then was an unlawful boycott to force the Pullman Company to grant its men's demands, besides being a widespread conspiracy dangerous to the public in obstructing commerce.

not the quitting but the combining is the criminal act, the supreme court's position stated in the above quotation might not be an exception if the quitting were viewed as an element in and proof of the conspiracy of combining.

¹After the strikes of 1894 a number of states enacted laws making it a criminal offense, punishable by fine and imprisonment, for a railroad engineer, or other employee, to go on strike and leave a train, passenger or freight, at any other place than its appointed destination, or to refuse to handle the cars of other roads. (See the chapter on arbitration.)

Injunctions Against Peaceable Persuasion in Other Than Railway Employment seem not to have been issued until recently in any of the states.¹ In 1897 the Pennsylvania supreme court held that while acts of unionists not reaching the stage of force or intimidation were not criminal conspiracy, they might yet be prevented by injunction, because of the injury to the employer's business, and of the annoyance and loss of time with non-unionist workers persuaded. The court said specifically that there was no legal right (without liability for damages) to persuade to quit or not to employ, which doubtless was the common law rule everywhere, though not enforced for a half century, and fast being settled otherwise. But in this Pennsylvania case the persuasion was really intimidation. Recently, however, a number of injunctions have been issued to prevent peaceable persuasion under systematic picketing, and the ordering or advising of strikes by union officials. A state court at Ansonia, Conn., in 1901, enjoined about two hundred striking machinists "from in any manner interfering with any person who may desire to enter the employ of the plaintiffs, by way of threats, persuasions, personal violence, or other means intended to prevent," etc. This was said to be the first injunction ever issued in a labor dispute in Connecticut. The injunction against the striking machinists of the Union Pacific shops at Omaha in 1902 forbade the formal picketing that had resulted in violence, and was regarded by the judge as inseparable from it. Judge Jackson at Parkersburg in 1901 enjoined outside organizers or officials of the miners' national union from coming in to work up and direct a strike among coal miners. In July of the next year he again enjoined outside organizers not to come in to stir up discontent, and six men who disobeyed he committed to jail for contempt. Another recent injunction of a federal court forbade *inducing* and *unlawful persuasion*. (Indus. Com. XVII. 582.) In the cigar makers' strike

¹That is, excepting the earlier portion of the injunction-issuing period, between 1884 and 1893. One of the early injunctions, in a strike of cigar-makers at Binghamton, forbade not only peaceable picketing but also the giving of contributions to strikers. It was modified by a higher court. Numerous injunctions, including many that forbade "talking to one's neighbors," were mentioned by labor leaders before the Industrial Commission, but very indefinitely.

of 1900 Judge Freedman of New York city forbade by injunction not only picketing of any kind, but also the payment of strike benefits to enable the strikers to remain out. But that part of the injunction relating to peaceable picketing and payment of contributions was set aside by a higher court. Judge Keller's injunction of 1902 in a West Virginia coal strike was reported at first as forbidding payment of contributions, but this was a mistake.¹

¹**Where an Injunction Cannot be Issued.** A federal district judge in Tennessee said in 1901 that if "the assemblies at the entrances, and the unceasing surveillance, had been confined to obtaining information, and to unobjectionable social intercourse, for the purpose of begging and entreating not to work, there could be no injunction." It was granted because of threats, abuse, and assaults. "The strikers cannot have, under the law of equal rights, a liberty of contracting as they please, and quitting when they please, which does not belong alike to the scabs and their employers. And it is this right the courts of equity enforce by injunction. The Supreme Court of the United States has established that as the law of this case." (*Labor Bulletin* No. 39, page 496.)

In the Missouri case quoted from above the court said that the injunction did not affect the strikers' rights—to quit work when they chose, wisely or unwisely, and to use fair persuasion, not force or threats, to induce others to join them in quitting. The law will protect workers in their right to leave, the court said, but will not permit them to destroy the right of others to remain. The strikers were their own masters, but not the masters of the other employees, nor even their guardians.

An injunction from the Supreme Court of Massachusetts in 1896, stopping picketing that included "social pressure and threats of unlawful harm," was dissented from by Chief Justice Field, who thought the picketing might be unlawful, for interfering as it did with the employer's business, but did not justify an injunction. Judge Holmes also, who dissented, approved an injunction prohibiting use of force or threats, but was unwilling to prohibit picketing altogether.

In a New Jersey injunction of 1901, confirmed by the supreme court, the judge said the persuasion by pickets must be such as those persuaded are willing to listen to. Different courts have enjoined ridicule and annoyance. Enjoining strikers from visiting non-unionists in their homes is usually well founded, under the latter's fear of assault, and of the occasional blowing up of such homes with dynamite.

"Picketing that annoys or intimidates new employees is not allowable." "To stop another on the street, get in his road, follow him from one side of the street to the other, pursue him wherever he goes, is not persuasion." "Are not all the foregoing facts, supplemented with the brutal murder, evidence of intimidation and terrorizing?" "It is the system of picketing

The Legislation Needed for Limiting the Issue of Injunctions. Whether or not the public can now afford to incur the grave risks and losses involved in permitting strikes among employees of railways will be discussed in Chapter XXVIII. in connection with compulsory arbitration. But in other occupations, upon which the public welfare is less vitally dependent, it seems that the right of employees to strike, of a union to post a few pickets for giving information and for peaceable persuasion, and of union officials to come among workers who want them and peaceably advise or direct a strike,¹—should be defined that did it, and it is unlawful, and must be enjoined.” (Judge Munger at Omaha in 1902. *Labor Bulletin* No. 47.) Yet he said, “If picketing is only done to obtain information, to reason with and peaceably persuade a fellow being to cease work, it is not unlawful.”

¹The Right of Outside Organizers to Assist in a Strike. The Parkersburg judge above mentioned, who said in connection with his 1902 injunction that he did not recognize a right “to conspire to compel” the quitting of men not dissatisfied, merely to gratify a set of agitators fattening on honest labor,—seemed to be still under the influence of old ideas that have almost passed away with the higher courts, though none of the courts recognize very far a right to conspire *to compel*. It is now nearly settled that as a body of employees combining and striking have a proper motive in raising their own wages (page 209), so outside workers urging and assisting them have a proper motive in their entire trade’s solidarity of interest, and are acting lawfully when the workers enticed are not bound by contract, and the persuasion is peaceable. It is hardly the law now, as it was ten years ago, that against an outsider enticing his men the employer had a right to damages and to an injunction. Union organizers have often given way to extremes of zeal, as in this case the judge’s self-control gave way to unjudicial language; but, to hold their positions and earn their modest salaries, they are no more under the necessity of raising wages and advancing the union by fomenting strikes, than they are under the necessity of preventing unreasonable demands and the consequent disaster to their cause. It is chiefly by active organizers that unionism is maintained; and its necessity in large scale industry is admitted by practically all economists, and in most cases by judges.

But the Services of the Organizers Must be Wanted, and the workers must first be peaceably unionized far enough to strike willingly. In perhaps all the West Virginia injunction cases the eagerness of the United Mine Workers to add this state to their fully unionized territory has led them into intimidation and violence, so that those injunctions against all their interference, including peaceable persuasion in picketing, were probably justified. In these cases it seems that most of the men did not want to be unionized, and desired to remain at work if given protection from

nately settled by new statutes, at about the practice now generally prevailing, which is set forth on page 212, and in the Tennessee and Missouri quotations in the preceding note. No detailed statute, defining what is lawful in picketing, has been enacted in America, the matter being left to the application by judges of general statutes and of the common law. Statutes are needed, in the states having large industries, because the courts, as shown in the increasing frequency of injunctions forbidding peaceable advice and persuasion, are too often bound unduly by the views and predilections of the capitalistic class, to which by birth and association they belong, and hence are too slow in coming with the necessary unanimity to the view that is unquestionably to prevail—the view that is here recommended, and that is now generally followed by high courts. While organizing a union and persuading men not to take strikers' places, may cause discord and loss in an employer's business, such action advances the interests of workmen, is engaged in violence. The organizers were trying to force unionism on these miners for the benefit, not mainly of the latter, but of union miners in other states. The moral right of a body of men to object to being unionized from the outside, by competitors desiring to take a share of their employer's work to other fields, is much stronger than the moral right of a few individuals to remain out of a local union already established (page 203). Debs admitted in his testimony that the injunction is the only remedy against irresponsible agitators not wanted by the workers.

Is the Employer Paying Low Wages an Unfair Competitor? This forced unionizing, apart from its law-breaking violence, is not justified by the claim that the competition of West Virginia coal operators is unfair toward those paying high wages in other states. Besides the usually correct claim of unionists, that with superior work their high wages are better earned than the low wages of non-unionists, it seems untrue that an operator paying low wages, any more than one having a rich mine, tries less than his competitors to get the highest price, or lowers price further than the necessary effect of placing his quantity on the market. The advantage he has, in not being forced by low prices to close, the national union may well remove, by peaceably convincing his men of their gain in higher pay, even at the risk of less work, and of their duty to unite with the general union of their trade; but there is no justification in morals, still less in law, for urging them any further than they are willing to listen. Hence, where the workers, as well as the employer, do not want the organizers, and are financially damaged by the disturbance fomented, it is right that the organizers should be kept away by injunction.

for that purpose, not for the employer's injury, results eventually in the good of all concerned, especially when the employer coöperates reasonably, and is not to be prevented under the rights of free speech and of combination for lawful self-advancement. The continued frequency of violent intimidation in strikes, which brought about the extended use of injunctions, and which has obscured to the public the justice and necessity of trades unionism, is now largely due to excusable resentment and desperation, aroused by what is taken to be stubborn and unreasonable refusal to consider the workingman's side of the question.¹ Very little legislation will suffice. In Great Britain

¹The Just Objections of Unionists. Though an injunction is at first temporary, being issued to prevent loss by a questionable action until the rights in the case can be determined, when it is either vacated or made permanent,—the date of hearing is set some weeks or months in the future, and this delay, by making the strike abortive, may bring upon the workers the irreparable loss from which it is designed to protect the employer. If the workers are not guilty of intimidation, or of illegal boycotting, their loss then is grievously unjust. It seems true that corporations have too easily obtained injunctions for the asking, without apparent effort by the judge at first to learn the facts favorable to the workers. This was the tenor of testimony before the Industrial Commission by Prof. E. R. Johnson, an expert on the subject, who is not biased in the worker's favor. Mr. Sargent, chief of the firemen's brotherhood, testified that the Northern Pacific injunction of 1893, forbidding a strike, was issued at the announcement by the receiver of a reduction of wages, in violation of contract, when striking had not been contemplated, but that the result of the attempt to force men to remain at work was a general strike which only the influence of brotherhood officials prevented from developing into an insurrection. (Vol. IV. 146; VII. 118.) In such use of injunctions the employer's guilt of unfairness and law breaking equals that of the workers when they resort to boycotting and violence.

Unfair Advantage Taken Against Workers. The Union Pacific receiver also, it was testified, obtained in 1894 an injunction in advance for a case of wage reduction like that of the Northern Pacific, with a similar result in modification by a higher court. The free issue of injunctions to restrain employees of railroads in the hands of receivers, with the holding in a few instances of such employees for contempt without an injunction, seems to be taking unfair advantage of them. Property remaining for many months in the hands of receivers, though the court's power is here exceptional, does not seem to need extraordinary protection above property in the hands of owners. It is a serious matter to have the millions in the working class mistrust the courts, upon which the government's stability so largely depends, and more serious still when that

(page 211) the statute of 1875 prescribes specifically what is unlawful in strikes. By judicial construction, in several of the American states, the question has been similarly settled. Under the statutes of New Jersey, as construed by the highest court, and to a less extent in New York, injunctions are not issued in strikes unless there is violence or intimidation. In New Jersey there is now *always* liberty (not simply *usually* as in some other states) to engage in persuasion as earnest, and in combination as vigorous and widespread, as trade unionists could reasonably ask. A number of states have materially modified the common law of conspiracy. Maryland's statute of 1888, copying the British statute of 1875, permits combination to do any act in a trade dispute that would not be unlawful if committed by one person alone. Minnesota's statute goes almost as far, as is now the case by decision under the statutes of New Jersey and New York. In 1902 the lower house of Congress, but not the Senate, passed a bill, for the territories and the District of Columbia, providing that combination in trade disputes should not be deemed criminal conspiracy, nor actionable, nor voidable, because in restraint of trade, nor be enjoined, when the acts committed would not be unlawful if

mistrust is well founded. Labor injunctions, like emergency measures outside the realm of law, must be used very sparingly or they lose respect and efficiency. Frequent and unnecessary issue of injunctions (in which the court largely takes affairs out of the hands of the peace officers) brings contempt upon the ordinary criminal laws also, as being unworthy of dependence. The employer's hiring of armed deputies (deprecated by the coal strike commission) has the same effect, to belittle the law and its officers. Neither of these exceptional methods of protection should be granted to the employer unless positively necessary (by reason of property loss or official neglect)—that he may not incur local disfavor, that the workers may not be irritated, and that by showing confidence in the officers of the law they may be raised to the proper level of honor and efficiency. This, the policy on which the present unionist mayor of San Francisco was elected, and which he has followed in a strike by arresting the employer's unlawfully armed defenders but by arresting violent strikers also, will usually change warring factions into a law-abiding community. But the labor mayor of Bridgeport, in attempting lately to follow this policy, veered to one side, and brought contempt on himself by denying to the employers adequate police protection, and by apparently attempting to prevent the arrest of a striker throwing stones. The sheriff and police board took charge of affairs and restored order.

committed by one person alone. A similar bill, passing the Massachusetts house in 1902, was defeated by a senate vote of 16 to 11. California enacted such a law in 1903. Like the British law, these statutes define the acts that are unlawful for one, or except enough of the common law to prohibit a too active boycotting, and strikes for malicious objects.

The Court's Power to Punish for Contempt would doubtless need no regulation by new statutes if a clear line were drawn beyond which injunctions could not be issued. Though on appeal from a punishment for contempt the high court's only power seems to be that of passing on the lower court's jurisdiction in the matter, there appears to be no danger that punishment will be excessive. By *habeas corpus* proceedings for the release of one imprisoned for questionable contempt, such cases are carried with success to higher courts, which also set aside or modify lower court injunctions unjustified or made too sweeping. These means of access to higher courts, the constitutional rules against excessive punishment, the provisions for impeaching and removing judges, and the restraining influence of public opinion, seem abundantly sufficient as safeguards against serious injustice in arbitrary punishment by courts in contempt cases.¹ By the Virginia decision previously men-

'Light Punishments Have Been the Rule in contempt cases, whatever may be said of the tendency of a judge to be prejudiced by the fact that a contempt is to him a personal affront. The punishment imposed for contempt on E. V. Debs was only six months imprisonment, yet he, in the words of W. H. Dunbar, the leading writer against use of injunctions, "was taken red-handed in flagrant and audacious defiance of the laws, and merited the most severe punishment which the penal statutes authorized." (Indus. Com. XVII.615.) It seems well that in this case there was punishment for the contempt at least, because the prosecution for crime resulted in failure to convict. In the American Federation's circular of 1902 against use of injunctions the upward limit of imprisonment in the contempt cases complained of was given as nine months. Perhaps a typical case was one in 1901 at Chicago in which three men were imprisoned for four, ten, and fifty-eight days respectively.

In 1897 the leaders of over 200 marchers, attempting to frighten into a strike the men of a mine from which few had been won, made light of an injunction restraining them from marching about the mine, which injunction the officers even besought them to obey, explaining the wide room in which to urge the strike lawfully; but Judge Goff sentenced them to only three days imprisonment, warning them, however, that such mercy again

tioned, a court's power to determine and punish contempt may be constitutionally regulated by the legislature, but may not be rendered ineffectual, and hence may not by it be transferred to a jury. Yet, as the judge has the right to do in any case in equity, he himself voluntarily, where conditions are favorable to justice, may well refer to a jury the questions of fact as to violation of an injunction, as Judge Chetlain did in a recent case in Chicago, and won thereby the special respect of unionists. He said he believed such reference to a jury would go far toward relieving the courts from the suspicion and hostility of unionists, and that justice would in no way suffer, but would be protected and advanced. Such a spirit of confidence here, as in not hiring deputies, must have a good influence when the jurors and others concerned are in a mood to be worthy of it.¹

would be not only a crime but the death of justice. (*Labor Bulletin* No. 14, page 114.)

Imposition by a United States court in Indiana of a fine of \$250 on an outside organizer, for contempt in disregarding an injunction issued to local strikers, will be passed upon soon by the United States Supreme Court. A reason stated by the judge for declaring the act a contempt was that the organizer, coming to the locality, knew of the injunction, and for the purpose of thwarting it conspired with the local strikers, aiding and abetting them in their acts of violence. (*Labor Bulletin* No. 40, p. 637.) A fine of \$500 and costs, imposed lately on an editor for contempt by a Missouri supreme court judge, was said to be unjust. But the rarity of questionable fines for contempt indicates (what would now be the temptation) that if judges are at fault it is in being over-lenient, and not sufficiently courageous. Lynching and general law-breaking indicate the same.

¹See *American Federationist* of March, 1902. The Industrial Commission (XIX. 882, 949) said: "It might be well to limit punishment for contempt to imprisonment for a brief period, . . . but it seems to be going too far to say that no contempt of the injunction shall be punished without all the delays and safeguards of an ordinary jury trial. Equity courts must not be deprived of the power to protect themselves and make their decrees respected." Other recommendations of the Commission, in relation to injunctions, are about the same as those of this book. In recommending specific statutes as to picketing the Commission said: "The feeling that, under existing laws, legitimate acts are often punished, doubtless develops a spirit of opposition to the law which carries acts of strikers further than they would otherwise go."

The Federal Courts. The demands of the mine workers, in their convention of 1903, are reasonable in their asking new laws to require proof in applying for an injunction, and to require an early time of hearing; but

The Reasonableness that Will Settle the Injunction Question requires not only (1) that courts conform their views to those which are destined to prevail, or (2) that these be imposed on them by the public through legislation, and (3) that employers cease the effort to use injunctions unfairly, but also (4) that trade unionists cease prejudicing their case by claiming too much. They must accept a reasonable curtailment of free speech and of free combination, if they desire to silence their opponents' contention for freedom of contract, which of course has never existed, being restricted not only by unionism, but by public health and factory laws of many kinds. Neither has there ever been full freedom of speech. This freedom gives way everywhere in slander, in boycotting and blacklisting, and also in enticing employees to strike who are under time contract. There is insincerity and misrepresentation in the common complaint of unionists that injunctions forbid "talking to one's neighbors." Such talking has always been forbidden when it is unlawful, as in slander and blacklisting. Especially has it always been forbidden when, in order to make the neighbor give heed, he is knocked down and beaten, or is chased and surrounded by a hostile crowd.¹ Such a gathering is hardly

legislative compliance seems hardly to be needed, under the nearness with which judges are now approaching exact justice, and in the wide room there is for reform on the worker's side. It is well, however, that the mine workers' long list of radical demands—as to jury trial of contempts, approval by two elective judges of every injunction, etc.—would be unconstitutional by the Virginia decision. Especially is it well that against the demand of the mine workers and of many labor writers, that Congress narrow the jurisdiction of the federal courts, and against their wish that federal judges could be elected for terms instead of appointed for life,—there is a solid bar in explicit clauses of the Constitution itself, for whose amendment here it would be impossible to secure ratification by enough states. Of course, as Jefferson feared, the power of the federal courts would be dangerous if abused, but this power is only the flaxen thread of centralization that must extend through the fabric of any government that is not to be a contemptible failure. Happily, in the late Alabama peonage cases, as in many cases of union violence, the federal thread was available when the local courts had proved to be shoddy and ravelings. There is danger in any tool that will cut. Honesty and intelligence in the people will make of the federal courts servants as useful as they are powerful.

¹**Curtailling Freedom of Speech** is necessary in emergencies, and when obviously wholesome should be heartily supported by public opinion. Of

the peaceable assembly meant in the Constitution, nor was it intended that any assembly, however peaceable, should be law-

the different injunctions forbidding peaceable persuasion in the railway strikes of 1894, the most explicit was one issued by Chief Justice Fuller, of the highest court of the nation. It forbade Debs and all others from sending messages or communicating in any way, for the purpose of ordering or encouraging any persons to interfere, directly or indirectly, with railroad affairs. This injunction was justified because the whole strike was an illegal conspiracy to force a third party (Pullman), and was illegal also in obstructing inter-state trade on a scale too large and too dangerous for the government to permit.

And Freedom of the Press is Not Unlimited, being subject not only to the law of libel, but also to wider restraint when required for the public good. In the Coeur d'Alene case of 1892 in Idaho, where strikers forcibly took the mine away from the receiver, brought out the non-unionists and killed fifty or more of them, two newspapers were enjoined. "While upholding the freedom of the press, the court held that if they were engaged in doing the acts complained of, or threatened to commit them by the use of their columns to incite the lawless or thoughtless to acts of violence or crime, the injunction against them also was well granted." With this a good citizen must surely agree. Stimson says: "There is of course no doubt that fair comment, even sympathetic editorials, are permissible to newspapers, provided they do not actually counsel a boycott or illegal acts of intimidation." For desiring more freedom than this, no good reason appears. Moreover, where for any cause a strike degenerates into prolonged and habitual intimidation and terrorism—as in 1903 with the displaced Waterbury street railway men (enjoined after two months), and with the armed band of displaced West Virginia miners who, after a long period of violence, were recently enjoined and captured—it may be just and advisable to end the wretched affair by enjoining persuasion or interference of any kind. In such cases it may be evident, as at Omaha with picketing (page 564), that persuasion is not to be kept peaceable, and besides, by continued violence the right of peaceable persuasion may be forfeited for the time, as in the presence of battle or siege free speech and other rights are properly suspended. The latter policy of nations was followed by the usurping and despotic strikers at Homestead (page 238) when they censored telegrams, excluded newspaper reporters from the town, and posted in hotels placards bearing these words: "By order of the advisory committee all discussion of the question of wages is absolutely prohibited here."

Another Case in which the injunction forbade inducing by persuasion, together with picketing in any form, occurred at Cleveland in 1898. For two months men desiring to work were by force kept away from a wire mill by crowds of strikers, numbering sometimes 200, and the few men at work were lodged and fed inside the mill. The violence admitted to

ful when the object was conspiring to boycott. The most effective step of all for getting rid of injunctions would be for unionists to give up frightening men by intimidation, and to be

have occurred on at least eight occasions the strikers claimed was instigated by the employer with strike breakers in order to get an injunction, but in no case did they prove the peaceableness of their persuasion by allowing the strike breakers to enter. The one policeman on duty made no arrests (except at one time a strike breaker), while mayor and police testified that it was the "most orderly strike" and that no arrests were required. (*Labor Bulletin* No. 22.) At Richmond, Va., in 1903, the riotous spirit of street railway strikers, and the willful neglect of duty by policemen to favor them, were increased by the saying of the mayor (a candidate for re-election), in an address to a disorderly crowd, "I am with you boys, and have been from the first;" though later, with readiness to shoot down the first rioter appearing, order was effectively restored by military authorities. Governor Durbin of Indiana, who, like President Roosevelt, is the type of official needed for saving American institutions, removed lately two members of the Marion police board who had declined to suppress violence in some bitter strikes. Their successors undertook to keep order. The employer's motive for having professional strike breakers or detectives unite with the strikers as spies to incite them to violence in order to get an injunction (sometimes charged by unionists), seems to be insufficient if the picketing were so peaceable as not to put the non-unionists in danger. If the latter could safely come and go, why should an injunction be desired?

That Abuse of Free Speech May Not be Prevented, but may only be punished afterwards, was the ground taken by the Missouri Supreme Court in refusing in 1902 to issue an injunction against boycotters. (*Labor Bulletin* No. 44.) By the Missouri Constitution no law can impair the right of free speech, and anyone shall be free to say and publish "whatever he will, being responsible for all abuse of that liberty." The court said that the freedom here safeguarded could not exist at the same time with prevention; that the idea was not prevention but penalty; that the right of free speech—not to be temporarily enjoined, even for one moment—is possessed by one who is penniless as fully as by a rich man having property to be taken in damages; that if boycotters are not permitted to tell their wrongs, or supposed wrongs, what becomes of free speech and personal liberty?

Such is the Position Taken in This Book (pages 214-23) as to simple request for aid in a strike by withholding patronage. But exerting pressure, by active urging or otherwise, is a different matter. While the clause of the constitution was intended to forbid the censorship common in Europe, it did not create but only protected a right already existing. For this very fact, pointed out by the court, it seems that the right was then already subject to reasonable restriction in war, or in a nuisance, such as loud swearing on the streets, or by injunction in such matters as boycotting and ruining a business by men irresponsible. This Missouri case is

content with simple persuasion and social disfavor, which nearly everywhere are lawful if peaceable, despite the civil damage and moral compulsion involved. In very few labor disputes—in none perhaps apart from railroad work—has an injunction been issued that was not preceded, and partly justified, by intimidation of some kind, and in those not thus preceded the intimidation was expected; while perhaps in no disputes, apart from railroad work, has peaceable persuasion been forbidden where intimidation did not accompany it, or was regarded as

apparently the only one in which the right of free speech is interpreted so widely—that is, unless exerting pressure is in it impliedly excepted. If not, by keeping pressure peaceable, boycotters without property might maliciously ruin business concerns to their hearts' content, and yet incur no risk of punishment. If for such injustice the natural cure for boycotting (page 220) proved insufficient, it seems improbable that a people capable of self-government, and fitted to survive, would not soon find legal means of prevention.

New Rights to Boycott. Under British Columbia's new statute (*British Labor Gazette*, Nov. 1902) relieving the union from liability for members' acts that a majority has not regularly authorized or not concurred in, and relieving it and its members from liability or injunction for peaceably persuading not only other workers but the employer's *customers*—under this boycott license unionists will not dare to go far in persuading outsiders, since employers would be driven to meet them in the same kind of conspiracy, as under repeal of laws punishing for murder private vengeance would run riot in assassination. What strong unionism, in refusal to patronize or handle, can do without unlawful threats was indicated by a labor leader who lately wrote, "Unless this strike is settled satisfactorily a boycott will be placed on — engines that will wipe them off the face of the earth."

Picketing for Customers. A late injunction from a New York Supreme Court justice (*N. Y. Labor Bulletin*, Dec. 1902), while forbidding unionist clerks, in picketing a store at Syracuse, to threaten or intimidate in word or manner, seemed to be faulty in asserting the *Allen vs. Flood* doctrine that motive is immaterial (page 210), but especially in ignoring (except as may be implied in the words "all circumstances") the fact that the most peaceable request not to patronize is felt to have a coercive threat back of it, and is oppressive (page 220), when made directly to a would-be customer in a town where unionists are united to boycott any one incurring their disfavor. Conditions in the town, as well as manner of request, are vital here. Only where one need not fear to disregard requests not to patronize, it seems, can society afford to depart so far from the old rule (making it always unlawful to induce customers) as to permit pickets to follow the Syracuse example of talking to customers and handing circulars to them in front of the store struck against.

inseparable from it.¹ The next best step for settling the question would be for public opinion to require from officials a faithful enforcement of law during strikes. Either of these steps, and especially both, would leave little if anything to be done by legislation in connection with injunctions. At the same time they would dispose of all the trouble and bitterness connected with the hiring of armed deputies and with the calling out of troops. Moreover,

Unionists Themselves Have Recourse to Injunctions, of which they are now rightly making use, as of the various other benefits of our government that are guaranteed to every citizen. In Omaha, in May, 1903, the federal court's injunction in favor of the business men's association, forbidding incitement of a strike among teamsters, who were connected with inter-state commerce, and restricting picketing by them, was followed the next week by an injunction from a state court against an unlawful attempt of the same business men's association to break up the unions.² The only strange feature of this proceeding was that the conspiracy was being carried out by the employers instead of the unionists, who, because of their own guilt, have long decried injunctions, but who at any time might have had

¹If in asking for an injunction the employer's ostensible purpose is protection from wrongs to his property, but his real purpose "getting the court to break up the strike" (J. B. Leavitt), the only part of the strike broken up is its law breaking, to remedy which courts exist. So far as it depended on law breaking the strike had no right to succeed. If the employer has been unjust to his men the law gives them large liberty of self-help in combination, and is swift to punish the employer for law breaking on his side; but it does not abdicate, and turn him over to a mob.

²The association was forbidden (1) to threaten to injure union men or their employers, or to refuse to sell them supplies at usual prices; (2) to attempt to force any employer to join the association or to discharge unionists; (3) to fine members for breaking the agreement not to employ unionists; (4) to pay out money for any of these illegal purposes, or to offer bribes to union officials; (5) to bring non-unionists to the city for the purpose of breaking up the unions; (6) to bring other injunction suits in this connection. All these things are unlawful when done to break up a business or a union. Judges Grosscup and Woods said in 1894 that if the railway companies had conspired to bring their men to terms by wholesale discharge and by stopping traffic, the companies, not less than the strikers, would have been liable criminally and to restraint by injunction.

protection by injunction against unlawful attack on themselves by others following their own example. Such protection, it seems, unions will now need frequently. As the state, instead of treating unionists unfairly as claimed, has been over-lenient with them, encroaching but slightly on their rights with injunctions while permitting almost unlimited law breaking to go unpunished, so the employers, though resorting to union methods sometimes in lockouts and blacklisting, have not heretofore met the union with its own permanent and wide-reaching combination. But to this the employers have at last been brought by unionism's growth in power, as shown by the enthusiasm for such combination at the recent meeting in New Orleans of manufacturers, by the Omaha case referred to above, and by the rise of such combinations among employers at various places in the spring strikes of 1903. These combinations are resorting to conspiracy, in boycotting employers of unionists by shutting off the supply of materials; and the unions, in this continuing and irreparable damage, will find the ready remedy to be the injunction. Union telegraphers at St. Louis have lately applied for an injunction against discharge of men because of their unionism, and against alleged blacklisting of such by the Western Union Company;¹ and at Vineland, N. J., in 1902, protection by injunction was asked for officials of the glass blowers' union that were said to have been intimi-

¹**The Latest Decision on Blacklisting.** This application was denied in August, 1903, by U. S. Circuit Judge Rogers. The company admitted the charge, and claimed to have a right to commit the acts, which claim the judge upheld. He asserted not only the always incontestable fact that when not under contract an employer may lawfully discharge any man, at any time, for any or no reason, but said also, what has hitherto been deemed unlawful or questionable, that an employer's list of discharged men, with reasons for discharge, he may give to other employers, if its statements are true and it is honestly circulated. An employer's right to circulate such a list—even to urge others not to hire the men it names, and without waiting to be asked for their record (pages 225-6),—must stand, it seems, if by reason of trade solidarity unionists are to be permitted to entice away the men of employers anywhere in the trade, and to induce to boycott him all workers in the same trade or those related, or even the entire working class (page 218). To permit blacklisting to be carried beyond the one trade, to the entire employing class, will be necessary to balance the present range of union boycotting, and under unionism's present power and policies may be necessary to maintain justice. (See Chapter XXVIII.)

dated by the employer's hired guards. Such protection may be useful when a union's organizers are ordered with threats to leave a city, as was done recently at Tampa, Fla., with their narrow escape from assassination, and as has been done at a few other places in the South. In 1902 an official of the miners' union was assassinated in West Virginia. In these cases, as the practice is in preventing fraudulent use of a trade union's label, and in a variety of ordinary business cases not connected with conspiracy or with unionism, irreparable loss is to be prevented by the injunction, as a prompt stay of proceedings until the exact legal rights can be determined.

The Sure Means of Securing the Rights of Unionists include, not only their own cessation from law breaking, with support by them and all others of law enforcement, but also willing and patriotic submission by them to legal proceedings, with recognition of the truth that the law (so far as is possible under a public honesty which they largely make) is a terror to none but doers of evil—that it exists as much for unionists as for others, and is a protection to the measure deserved. The firemen and trainmen, instead of exposing weakness of contention by denouncing injunctions and courts when their officials were lately enjoined not to order a strike on the Wabash system, obeyed the injunction as law-abiding citizens conscious of being in the right, and, to avoid prejudicing their case, refrained from striking individually or collectively, as they might have done without order from their enjoined officials. Their counsel easily proved the groundlessness of the Wabash company's charge, namely, that the brotherhood officials, to force recognition of their unions, 'were outsiders unduly enticing men whom they did not represent, and who were not dissatisfied. The injunction having given time for feelings to cool, the company, finding it had no case, and being impelled to reasonableness by the irreproachable attitude of the unions and by the judge's conciliatory suggestions,—granted promptly many and liberal concessions, and cordial relations with its men were at once established. A few weeks later a strike similarly enjoined on the Mobile and Ohio railway was soon settled by compromise; and the Kansas City teamsters, their legal and moral rights not being affected by the injunction, won their con-

tention in two weeks. Judge Adams has been widely commended for his fairness in dissolving the Wabash injunction, but would not any judge have done likewise where in contention and behavior the union was equally just? Those cases in which, because the union is not proved to be acting unlawfully, an injunction is refused, or is quickly dissolved, would at first be more numerous if unions more generally kept within their rights, and then all cases would be less numerous, because injunctions would not be applied for. In Judge Munger's recent injunction against the Omaha teamsters, those clauses which in effect forbade the union to hold meetings and continue its strike agreement were stricken out by him next day, and were provoked by a plan of boycotting. How far the protection of inter-state commerce is to prevent striking in transport industries is being settled, it is not to be doubted, as fast as conditions permit, and on a basis of justice to all. When a union in good faith follows the example of this one at Omaha, which had fifty members to answer the sheriff's call for deputies to protect non-unionists, it will seldom fail to obtain full justice from courts. The Omaha unions coöperated with the mayor and sheriff, who closed the saloons, prevented violence, and avoided necessity for calling out troops. Also, when unions in general do not depend on quibbling, but have a reasonable defense to make, judges will go further in learning both sides before granting injunctions, and will be more regardful of the union in setting the times of hearing. A New Jersey court in 1899 enjoined only those who were guilty of intimidation and violence, and refused to enjoin the glass blowers' union, or its officers who had come in to direct the strike, there being no evidence that they had encouraged or even tacitly approved the law breaking. In view of the provocation, in continued attempts to unionize old employees against their will by intimidation, even the West Virginia judges, in their much denounced injunctions, departed but slightly, in language or spirit, from what seems to be just. The full reports of these cases, in the *Labor Bulletin*, give a different impression from the one-sided reports of the many newspapers which, in coloring news and opinion to suit the workers, are far from being their real friends.¹ In short, the

¹*Inclination in the Workers' Favor* is shown by some able journals in

sound sense of justice in the American courts and people, which has lost none of the vigor evinced in the unequalled progress of

which the evident intention is to be absolutely fair. "If the laws are violated, let those who violate them be punished by the ordinary legal procedure for their crimes or misdemeanors, and not for contempt of court." (*Independent*, May 21, 1903.) To this, if it means that injunctions should not be issued unnecessarily, nobody objects. But what if the officials make only a pretense to enforce the criminal law, and what if the offense, as in boycotting, may not be sufficiently criminal for indictment as conspiracy, but is only actionable for damages and the offenders are irresponsible? That must be a thoughtless statement of Dr. John P. Peters in which he says ("Labor and Capital," 1902) that injunctions are "unequivocally condemned by lawyers and economists, as unnecessary, demoralizing, and inherently illegal." But his opinion is not strange, in view of the continual declamation against the injunction, and of the fact that very few have had opportunity to learn the other side of the question. The justice and necessity of injunctions do not rest on their practically unanimous defense by the highest courts in the world, but on the impregnable reasons these courts give, and on the manifest emptiness of the reasons urged to the contrary. The recent case in Texas, sustained by the supreme court, in which punishment for contempt was imposed on a man for disobeying an injunction against alienating the affections of a neighbor's wife, does not, as claimed, belittle the use of injunctions. If the offender was irresponsible, and the offense not criminal but only actionable for damages, an injunction was the only lawful means of preventing its continuance.

In the *Argument in Gunton's Magazine* (Sept. 1902) it is said the contempt in West Virginia consisted "simply in delivering addresses to the miners on strike," that Judge Jackson's injunction forbade "ordinary free speech," that there was "no danger to persons" and "nothing illegal," and that the court "converted a perfectly lawful act into a crime in order that it might inflict a penalty." If these premises were true the reasoning against the injunction would be conclusive. But the speaking (*Labor Bulletin* No. 43) was not ordinary free speech, being illegal in damaging the employer's business while not being wanted by most of the workers, who moreover were being over-awed by hostile crowds near the mine, and feared the common penalty of bodily injury if they remained at work as they desired. In the case of Judge Keller's injunction, though the union leaders counseled law keeping and hence were treated with consideration by the court, the miners would not have deemed it safe to work without the guard of armed deputies, and small bodies of strikers called for volunteers to go into the mines and bring the workmen out. (*Bulletin* No. 45.) It was a "very effective method of conducting the strike," but not "peaceful and inoffensive." It would not be in suppressing but in permitting such conduct that one could say "the heart of American liberty is gone."

Liberty Hardly Includes a right to combine to frighten others into

the past, will insure to unionists all their rights, but no less will it insure that they do not long get more. When their policies

doing what is objectionable to them. The judge apparently showed unfairness by setting the date of hearing as to permanence five months in the future, as well as by unjudicial language; but means remained, if there were reasons, for having the issuing court, or another court higher, to promptly modify or vacate the injunction. No doubt, in securing injunctions, as was the case in blacklisting, and is now the case in refusal to negotiate with union officials, employers are at heart opposed to unionism, and to its just rights in striking; but what tendency there is with judges, lawyers and editors to think likewise is by nothing else so nearly justified as by unionism's unlawful designs and transparent subterfuges in its outcry against injunctions.

The Courts are Winning, Not Contempt but Respect. The common deprecation of injunctions on the claim that they make the working class suspicious and hostile toward the courts, would have a basis alarming indeed if it were true that judges take unduly the employer's side; but what is to be said if, as can almost invariably be shown, they take the view of unbiased justice? On the contrary, would they not incur and deserve public contempt if, instead of adhering to the law fearlessly, they expediently regarded the worker's clamor? In their adherence to well settled ideas as to the rights of property, rights whose inviolability is no more to be desired by employers than by workers, it is improbable that judges, despite the unionist charge that they are the hirelings of corporations, are a hundredth part as much influenced by desire to gain personally valuable favor as are the legislators and officers who take the workers' side. Amid the play of passion, prejudice, and selfish design, no force confers such inestimable benefits on the workers as does the holding by the courts of all conduct to what the best available wisdom has settled in the Constitution as just. The workers may elect different judges, but in bending to their favor a justice that knows no class they will never get gain that does not bring to their own class a loss many times greater. What liberty there might be apart from just law would not be possessed by workers, but by a class of rich and shrewd men over-riding them, as in many lands in the past.

Justice Not to be Secured by Threats. Excepting the very few cases in which an injunction was alleged to have been used to force men to accept a receiver's wage reduction (page 566), the appeal of strikers' counsel, that by injunction workers be not driven into anarchy, comes near being a threat that if court decisions are not made to suit them they will take the law into their own hands by force. Judge Sage's reply must command respect for the courts indeed. He said: "So long as labor unions keep within the law, they will not be interfered with by courts, and they will have the good will of a vast majority of well disposed citizens. When they exceed those limits they will be restrained by the courts, and dealt with, whatever the consequences may be.....The extraordinary character of

are made to harmonize with this sense of justice, instead of opposing it, their troubles with courts will soon disappear.

the appeal justifies me in adding that the courts will be ready for the emergency whenever the spirit of anarchy may manifest itself, and the American people, if need be, will rise in their majesty and crush it as a trip hammer would crush an eggshell." (*Labor Bulletin* No. 14.) So the people will do with lawlessness in general if they have a right to survive as a free nation. For the wrongs of any class the people will be reasonable enough to afford a remedy that is lawful.

Amid the chorus of interested or thoughtless voices denouncing injunctions (such denunciation is now common in political platforms to catch voters) it was reassuring to the author, after this chapter had been written, to learn of the defense of the injunction, in an address before the Iowa Bar Association in July, 1903, by Justice Brewer of the United States Supreme Court. As reported, he said that never before was full and vigorous exercise of a court's power to enjoin worth so much to the nation as at present; that as population increases and interests crowd each other, a court's restraining power becomes more important than its power of criminal punishment.

Mistake by Mr. Stimson eight years ago (*P. S. Quarterly*, 1895) in fearing that by issuing injunctions too freely, and by not enforcing them, the courts would incur contempt and cause a popular revulsion to drive out all equity jurisdiction (built up with difficulty fifty years ago in some states)—seems to be shown by the effectiveness of recent injunctions, and by the apparent beginning among the people of a clear realization of the necessity for issuing them.

CHAPTER XXI.

WORKINGMEN'S INSURANCE AND PENSIONS.

Old Age Pensions, to be paid by the national or local authorities from taxation, now being urged in Great Britain, require earnest consideration there, by reason of the fact that in spite of a half century of rising wages and cheapening supplies it is impossible for a large proportion of the poor, with their present wage earning opportunities, to avoid falling upon charity during sickness and old age. Mr. Moor Ede, writing in the *Contemporary Review* of April, 1891, showed that among farm laborers very nearly half of those dying above 60 years of age had received poor relief; that of all persons in the kingdom over 65, poor relief had been received at some time in 1890 by more than 1 in 3; and that in London, where 1 out of every 5 deaths occurred in a workhouse or public hospital, the number receiving relief would be for wage earners alone about 1 in 3 for all ages, or about 1 in 2 for those above 60 years.¹ In 1902, Mr. John Burns, socialist member of Parliament, in urging an old age pension bill, said in addresses to the working class that a third of them will die paupers. To realize this condition of affairs is startling. It is believed that five-sixths of this poverty among old people was not to be avoided by previous saving.

No Possible Thrift Among the Workers Will Suffice. The out-of-work benefits of trade unions are only for those skilled or otherwise strong, while old age pensions of consequence from unions are beyond the money resources of the best paid workers. Four-fifths of British workers are not in unions,

¹In England and Wales the total number of persons, excluding vagrants and lunatics, that received pauper relief at any time during the year 1892 was 1,573,074. Of these the relief was indoor (in an almshouse) to 458,210, and outdoor (in their homes) to 1,114,864. Those of 65 years and over who received relief were 29.3 per cent of the total population of that age. The percentage for all ages was 5.4.

mainly because none exist in their trades or towns. The sick benefits of the numerous friendly societies are only for those who can pay dues the year round, not for the many in cities who have no work in winter, nor for the large unskilled class who never have work regularly, nor for farm laborers earning for the whole year an average of but \$2.50 to \$4.25 a week without board. In some communities of the West of England it has been a custom with farm hands to eat meat but once a week. Men thus supported can save nothing for old age or sickness.¹ Hence, the demand is growing that something must be done by the government to rescue people from pauperism. The present attention given the subject, though poverty is less deep and general than it was formerly, arises largely from the spread among the workers, now a reading and a voting class, of the socialistic hatred of charity, and of a belief that all, under a right, should be well provided for by the state. This sentiment, strongest among the more ignorant of the workers agitated, reaches the politicians through their desire for votes, and reaches the educated classes generally in the now prevailing

¹One Out of Four Underfed. Mr. B. S. Rowntree, in his book "Poverty," shows that by thorough house-to-house canvassing he found in the busy year 1899 that of the 75,000 people in York, England, 9.91 per cent earned less than the minimum necessary to maintain bodily strength; and 17.93 per cent more, though earning enough, failed to get that minimum by reason of dissipation or wasteful spending. So a total of 27.84 per cent were actually suffering to a greater or less extent from starvation. Mr. Charles Booth found this percentage in London to be 30.7 for the years 1887-92. It is believed the York figures are about correct for all English cities, and that the rural population, only 23 per cent of the total, fare little if any better. Hence, those partially starved are about 1 out of 4, in the nation ranking first in wealth per head, and ranking next to the United States in total wealth. Mr. Rowntree's standard of minimum earnings for physical efficiency means that never a penny is to be spent for toys, sweets, pretty clothes, postage, newspapers, carfare, tobacco, union dues, medicine or physicians; and that not a day of work is to be lost. As these conditions are practically impossible to keep, the waste that puts many in the 17.93 per cent is excusable. (*The Nation*, June 5, 1902.) Being underfed causes a high death rate, especially among the young, promotes drunkenness and other vice, and keeps down wages by making labor inefficient, and makes people too dull to get as much for their money as those better off, which in the aggregate would be impossible anyhow by reason of the smallness of purchases. "The destruction of the poor is their poverty."

and commendable idea that means must promptly be found for removing or alleviating all of society's woes.¹

What Can be Done for This Deplorable Poverty? Germany's answer is insurance against accident, sickness, and old age—provided under a system controlled by the government, that it may be safe and adequate, and made compulsory for all earning but 2,000 marks or less per year (\$476), that those needing it most, the less thrifty, may be reached. Her establishment of compulsory insurance is called the most radical step taken by a government in social matters since the rise of the modern industrial system.² But Bismarck, the founder of the

¹John Graham Brooks, *American Academy of Political Science Papers* No. 122.

²Germany's Old Age Pensions were paid in 1897 to over 400,000 pensioners, amounting that year to \$13,385,459, of which \$5,254,959 were provided by the state—an average of about \$30 in all for each pensioner. The sickness pension law was enacted in 1883, the accident in 1884, and the old age in 1889. For a person above 16 years, man or woman, earning \$83 or less a year, the premium payment for an old age pension is $3\frac{1}{3}$ cents a week (first class), and for one earning \$202 to \$273 (fourth class) it is $7\frac{1}{8}$ cents. Payment is made by means of stamps sold at post-offices and pasted on each worker's card or pass book. The employer is held responsible for the payment, and in some cases keeps in his office the cards of all his employees. By law he must pay at least half of the dues, but often agrees to pay all, without deduction from wages, especially when the sum is only 3 to 5 cents a week. This action of the employer has been mentioned as an increase in wages partly by law, but very likely it would answer as a sufficient reason for refusing a demand that might otherwise have secured an increase much larger; while with only those workers living very near to the line of want would the insurance dues so curtail their living as to force a rise of wages for preventing inefficiency from weakness and discontent. The dues for accident insurance must all be paid by the employer; he usually pays all the dues for the sickness insurance too, but is required by law to pay but one-third. A pension is drawn after five years of payments, by all reaching 70 years and by all of any age if disabled from earning a total of one-third of previous wages. For the first class the total annual pension is \$23.85 after 5 years, and \$25.23 after 30 years; for the fourth class these sums are \$33.56 and \$45.46. Of this, in each case the same, \$11.90 comes from the state; the balance comes from the fund derived from the weekly dues, which stop while a person is unemployed. The total paid in by a worker falls to his widow in case of his death before receiving a pension. By the three kinds of insurance—accident, sickness and old age—every wage worker in the country earning not over \$476, a total of 11,500,000 persons in 1894, is insured against

German system, was not in a position to answer the question on its merits. The governing party established the pension

inability to work, whatever the cause. For one person the old age and accident pensions together must not exceed \$98.77 a year. The total income from old age dues in 1894 was \$24,116,000. The interest income increases with the growth of the reserve fund. (W. F. Willoughby, "Workingmen's Insurance," 1898.)

The Pension Systems of Various Countries. Austria established compulsory insurance in 1888 for sickness and accident, and began in 1898 a plan for old age pensions, which have not yet gone into effect. Russia has old age insurance for workers in government mines. France has had compulsory accident insurance for miners since 1894, half the dues (4 per cent of wages) being borne by the employer and half by the employee. There are a number of accident insurance and old age pension associations carried on voluntarily in France, as there were in Germany before the state's compulsory system was adopted. The French government promotes these in different ways, paying yearly about \$2,000,000 to the seamen's pension fund, and nearly \$3,000,000 toward other pension funds for working people. Compulsory systems of accident insurance, and perhaps eventually of old age pensions, at least for dangerous trades, will probably be established soon in France, Switzerland, Denmark, Sweden and Norway; though in France the compulsion may be limited to only a few trades by the excellence of the accident insurance the liability law leads employers to provide voluntarily through their trade associations. Accident insurance for all employees is important for small employers, who may not be able to pay the compensation required by the liability law. By Denmark's law of 1891, said to be bad in principle and effect, every man or woman of good character reaching 60 years, who in the previous ten years received no charitable relief, can obtain, if in need, a pension sufficient for support, half of it paid by the national and half by the local government. In 1896 an average of \$29, the highest sum being \$96, was allowed to each of 36,246 persons. The New Zealand government since 1899 pays \$87.59 a year to persons past 65, of reasonably good character (sober for preceding five years), who have not deprived themselves of property (and have lived 25 years in the colony), while Victoria and New South Wales each started in 1900 with a government old age pension to such persons of \$2.43 a week. In New Zealand, to obtain a pension, one's yearly income must not exceed £52. For every pound of income above £52 one pound is deducted from the pension, and also one for every £15 of property above £270 free of debt. Husband and wife each get a full pension if the former's income and pension do not exceed £104. The wealth of sons is not considered. To a pension official's objection, "Your income last year was over £1 a week," the pensioner replied, "Thank you, sir; it shall not occur again." (Lloyd.)

In New Zealand half of all over 65 are pensioners—in Victoria a third. The yearly cost of these pensions in Denmark (population 2,400,000) had

system to outbid the socialists for working class favor; to save the established order of government and of industry by giving the people a measure of what the rapidly increasing socialists threatened to secure by revolutionary changes, possibly by overturning the monarchy, and by large extension of state control or ownership of industry. Moreover, to the strongly centralized German government, the pension system, apart from the menace of socialism, is desirable for several reasons. Its reliable record of every man insured (notice must at once be given of removal) is valuable to the police and to the recruiting officers of the army. As pension rights and payments are forfeited by emigrating from the country, the system binds men to the state, and gives them reasons of self-interest for desiring to maintain the government unchanged. Also, as shown by many kinds of state intervention, the Germans prefer discipline, and growth through obedience to authority, rather than self-directed progress by the people for themselves. It has been said¹ that the aim in Germany seems to be to make the people workers and soldiers, rather than to make them men and citizens. The policy of Austria is about the same, and there is a similar tendency on the Continent generally, including Switzerland, whose government, though highly democratic, makes many regulations for the people.

The Outcome of Compulsory Pensions might be expected to involve less evil in Germany than in perhaps any other land. Intelligence, industry, and frugality are ingrained in the nature of the people, while able and wise men are permanently in control of government and of business. The fact that the scheme did not arouse enthusiasm, nor in some quarters even confidence (because too socialistic for some and not enough so for others), has tended perhaps, together with the smallness of the pensions, to prevent growth of a disposition toward relaxing diligence and economy, and of a disposition toward placing dependence

risen in 1902 to \$1,400,000. Belgium's state aid to private pension funds was in 1901 about \$2,800,000 (population 6,700,000). France is now considering free pensions to the aged, and to persons with incurable disease, the yearly cost being estimated at \$33,000,000 (population 38,000,000). The British Trade Union Congress declared in 1902 for a free pension of at least five shillings per week to all over 60.

¹By Ray Stannard Baker in a magazine article of 1902.

upon the pensions. The weekly dues are so small as not noticeably to affect ability to consume, and to save for one's self. For these reasons the compulsory pension system in Germany, at least for the present, and while the people retain the inspiration of the country's magnificent growth in trade, wealth, and power,—may not seriously check self-reliance, ambition, or the independent self-help of trade unionism. Moreover, the cost of the three kinds of insurance is mainly borne by the workers themselves. They are compelled thus to save for future needs. What the employer pays comes from them, since they could otherwise get it and doubtless more in higher wages. The government's contribution, a small sum for a great empire, if the enormous amount of book-keeping does not cost as much additional, serves as an encouragement to the poor in their own payment of dues, by making the pension worth considering. The government's share also comes largely from the workers, since taxation raises to them the price of family supplies, and by lessening the employer's net income lowers the level to which unionism can raise wages.

By National Aid to Voluntary Systems of old age and invalidity insurance, to guarantee safety and to supplement dues paid, it has been shown in Belgium, France, and Italy that private initiative and self-reliance may not be enfeebled but strengthened. Italy established in 1900 a voluntary system of old age pensions toward which the state pays about half. Belgium investigated the question of old age insurance in 1900, and decided that best results could be attained under her existing voluntary systems, by improving her state aid to encourage the people's own self-help. By a new law of that year she provided for liberal state subsidies to persons making use of the law. France has been delaying adoption of state pension schemes urged, able reports and addresses being made by her statesmen on the necessity of self-reliance for maintaining independence and efficiency. The frugal French and Belgians, though earning lower average wages than the British, and living much poorer, seem to be better able by self-help to avoid pauperism. More of the French live, as in old times, but very scantily, by farm and village work that is little affected by depression in the world's business, while it is chiefly by exchange abroad that British industry is maintained.

But Pensions Paid from Taxation, without the bulk of the cost being taken from the pensioner's own savings, are very different from those of Germany. Can risk of want in sickness, in accident, and in old age be removed at public expense without thus causing other evils as bad or worse? If so, the demand of the socialists here ought surely to be granted, and a large portion of the anxiety and suffering be banished from the world. A British parliamentary commission in 1898 considered a half hundred schemes submitted for pensioning the aged, finding several worthy of discussion, but not one that could be expected to result in more good than harm. Another commission had investigated the question previously. Mr. Charles Booth's plan is simply for the government to pay 5 shillings a week to every person past 65 years, whether poor or not, that the pension may include none of the blighting stigma of pauperism. The Danish pension mentioned above is intended to give the aged a repose to be considered, not as pauper relief, but as deserved or earned, by reason of their long service to the state in maintaining good character, in supporting themselves, and in doing their share in industry. The principle is the same with the pensions of Australasia. It has a generous and noble sound. How will it work? Ought one, and can one without grave injury to character, receive extra reward in payment of money for being wise and doing right, over and above the substantial reward such conduct secures day by day in improved well-being?

From Poor Relief Without a Workhouse Test, begun in England in 1782, after two centuries and a half of rigid suppression of vagrancy and beggary, the evils caused by easy dealing with the poor led in 1834 to a reaction in the other direction, to a poor law considered a model until the late years of agitation over old age pauperism.¹ But it now seems to be

¹The English Poor Law of 1782 showed some effects of a guaranteed support regardless of effort or merit. By this law any person whose wages proved insufficient was not compelled to live in a workhouse, but was helped somewhat liberally at home from the public poor fund. Effort to find or keep employment was slackened, with many more than the poor law officials could get positions for, and others brought wages below a living rate, depending upon the poor fund to supplement the low wages for which they offered to work (pages 470, 604). As relief was given to

admitted by conservative economists that the practice under this law of making pauperism a disgrace to be dreaded (taking away a pauper's vote, keeping most of them in workhouses, granting home relief only on severe terms, rarely to the able-bodied, and making the pauper living scanty and undesirable)—not only fails to turn the lowest grade of people away from pauperism by fear of want, but is also grossly unjust to the large proportion of British poor who prefer to suffer privation rather than to incur disgrace, and whose need arises from no fault of their own. The view of the socialists, which affects the sentiment of organized laborers everywhere, is one extreme. For all the poverty they place the entire responsibility upon society, bitterly resenting the stigma attaching to poor relief, and claiming that in such relief the poor receive only their own, since the wage system robs them of most of their share, and thus causes the world's idleness and vice. (See Chapter XXIII.) The other extreme is the common practice of making no public provision for treating the worthy poor differently from the idle vagrant. Private charity aims to treat them differently, but only where well organized is it able to separate the good from the bad, and its power to help is irregular and uncertain.

That Public Encouragement to Self-Help by the Poor is Needed, therefore, is coming to be recognized—to enable the worthy poor to provide for themselves; to displace the fear of want as a goad with all who by kindly aid can be lifted above the need for such fear into self-respect, and thus made willing producers in society instead of partial parasites; and to separate the purposely idle tramps to be dealt with rigorously. Hence,

a family in proportion to the number of children, population among the lowest classes increased rapidly, with a rising percentage of illegitimacy. The law in effect offered a premium for more children in families too poor to support themselves. As this aid from charity lessened self-respect and industry in all accepting it, it not only taxed production to bear the cost of the charity, but it also weakened production by lessening the efficiency of the lower grades of workers. In time such a poor law would bring national decay. To the unambitious it made poverty and indolence desirable. Its evil results are still noticeable in southwestern England, where in Dorset there are 41 paupers per 1,000 population, against 28.3 for London. (Hadley, 53.)

the British poor law will probably be changed somewhat, so that an aged person will not be required first to spend all his savings before poor relief will be allowed. At present, unless he has saved enough for full support he may as well have nothing. As the large amount necessary for full support is beyond the reach of the poor, they have little or no incentive to save for old age at all. This rule prevents partial support of aged parents by a son unable to support them wholly, since the only effect of his aid would be to reduce his father's allowance from the public fund. Moreover, besides stifling devotion to parents, and degrading and embittering the later life of worthy people, the disgrace of pauperism and the fear of want have the bad effect of driving low grade people still lower. By these penalties many of those who with best effort cannot escape them are led to regard society as unjust, and merit as unprofitable, and to adapt themselves to the worst by sinking in drunkenness and other degradation.

Proposed Plans for Pensioning the Aged in Great Britain.

Some such pension plan as that of Mr. Chamberlain will probably be adopted soon in Great Britain. He proposes that the state donate £15 to the fund of each person that deposits £5 at the age of 25 years, and £1 (\$4.86) in each year for the next 40 years, giving him at 65 a pension of 5 shillings (\$1.22) per week, and providing an allowance for his widow if he dies earlier. Mr. Sidney Webb's plan is for the state, beginning each year with a few persons, to provide a small pension at 65 for any of good character who bear a thrift test easy enough to reach those of average foresight and self-control in the lowest class—such a test as paying dues regularly to a friendly society, or as saving a certain amount of money. Mr. Chamberlain has also an alternative scheme, by which the state would double at 65 the friendly society pension a poor person had secured for himself. On these proposed terms the government's reward to a person, over and above the reward of possessing his own savings, would make with the latter a strong incentive to thrift and industry. This effect on character through life, and on increase of production, might keep the extra cost of such pensions low, or even make them a source of public gain, since so

many are now pensioned and degraded with support as paupers.¹

Effects of Compulsory Saving. These British proposals involve no compulsory saving, like that of the German system. To the British people, legal compulsion is repugnant, or any state action that is not clearly necessary. The advantage of the German system in securing for every one some provision for old age and sickness, but by forcing him to save, may be outweighed in a half century by the compulsion's evil effects, in removing personal responsibility, and in weakening self-reliance and independence. Sooner or later such effects will inevitably lower efficiency in work, and thus lessen product. Bearing the necessity and consequences of looking out for one's self is the only way of retaining the ability to do so. In compulsory pensions the slight relief from this necessity may still be a relief too great. The public gain, in forcing the shiftless to save, may be outweighed by the public loss of taking from others the invaluable discipline of saving voluntarily. The effect of voluntary thrift on industry and character is often worth more than the savings of money. In a long series of years it is fairly certain that pensions for those only who choose to earn them will prove preferable to pensions made compulsory on all. For care in old age, to depend on pensions from the state or from one's employer (page 295), or even to depend on support by one's children (page 381) has much of the same weakening effect on character that there is in a married son's dependence on his father for help in financial difficulties. Such help is a curse rather than a blessing when the recipient depends on it, instead of being encouraged by it to greater effort for himself.² If the capable father could continue to live, and

¹**Pensioning Retired Officials.** The claim of some, that there is as much reason why Great Britain should give free pensions to her aged poor as to about 200,000 persons from her army, navy, and civil service (Webb, *Problems*, 169) is unsound, so far as the right to a pension is considered as part of the salary, and as the pension is paid for in advance by its effect to secure abler men and better service. But for pensions to the poor earned by increased thrift, there would be a similar consideration to the state, in decrease of poor relief, in elevation of character, and in increase of production to be taxed. (Regarding British plans, see Willoughby, 279.)

²**Importance of Exercising Choice.** Prof. Gilman's statement (*U. S. Labor Bulletin* No. 34, p. 466) that the German worker's tendency to save

could make the son obey, some kinds of welfare might be bound on to the latter with certainty. In the same way, if Germany could continue to find enough suitable men to do the governing, she might hold her people to many conditions of perfection. But the people's need for help will increase, while those able to govern will decrease, and from helping the enfeebled mass will tend to turn into easy roads for exploiting them. For an experiment in trying to help people and at the same time to make them as strong in character as if they had helped themselves, Germany is the most favorable field; but it is scarcely to be doubted that even there the second part of the undertaking will fail.

The Free Pensions of Australasia Will be a Failure, it may be predicted with some confidence. There the old age allowance is obtained, not by paying dues, as in Germany, or by saving money, as is proposed in Great Britain, but by being poor at 65, and for some time beforehand. Those not so thrifty as to be unaffected by the promise of \$2.43 a week at 65 will very likely keep themselves free of property through life—an easy thing to do. The enactment of new laws forbidding the old and the inefficient to work for less than a fixed minimum wage, without permission from state officials, was one reason for giving pen-

has been greatly increased, refers to effects of his certainty, without lawsuit, of compensation for injury by accident (p. 596). It must be that his security in this respect (as does general safety under good government) leads him to value more highly his life and its opportunities, and hence to strive more to utilize them by saving. It would seem too that the introduction of the German old age pensions might set people's minds upon saving for the future, and increase such saving for a time. Yet those who needed to be forced by law to save would soon relax effort, while others might be influenced more by the present increase of ready and safe means of voluntary saving and insuring, and might develop much greater capability by exercise of individual judgment. The risks of saving in the American ways of depositing and investing yield returns in capability that outweigh the cost in losses.

Moreover, apart from bad effects on character, some observers consider the German compulsory insurance too costly for its benefits. It involves a vast bureaucratic system, with an enormous burden of detail, while the litigation has far exceeded expectations, and no adequate solution has been found for a great problem of fraud in feigning illness. But there is no thought of abandoning the system—only of modifying it as experience teaches.

sions, and is a stronger reason for relaxing effort and depending on them. In Victoria double as many persons have applied for pensions as were expected, and bad effects began at once.¹ In Denmark too there is said to be a tendency to get rid of savings before the pension age; and even in Germany there has been not only considerable pretence of sickness for the sake of the sick benefit, but not a little scheming to get on that side of the dividing line between wage income classes that is most advantageous. The element of fraud in willful preparation to be poor, or even in the least weakening of saving, years before, by reason of the pension, will degrade character, diminish product through life, and give the state less wealth to tax. The Australasian experiment will doubtless be valuable in proving the falsity of some of the socialistic teachings. It not only increases public outlay, but by lessening production and saving it dries up the source of tax income, thus burning the candle at both ends.

The Safe Methods of Helping People. By taxes on scarcity value of land (not on improvements), on net earnings of busi-

¹Review of Reviews, June, 1901.

Blighting Effects. The free pensions of New South Wales, says the *Sydney Telegraph*, have created a new class of state dependents, at alarming annual cost, without relieving charity to any appreciable extent; and have encouraged unthrift and imposition, besides loosening ties of kinship and weakening moral obligations. (*Public Opinion*, May 7, 1903.) At the end of the first eighteen months New Zealand's annual pension expense was \$950,000, a pretty large sum for 750,000 people bearing tariff taxes of 50 per cent on important necessities, and carrying the largest per capita debt in the world. Mr. Lloyd calls the New Zealand pensioners "veterans of work, old soldiers of the industrial army." But hereafter people there will take care in their work not to be too valorous—will find discretion the better part. The premier said the pensions are like education, in being a return for indirect taxation. But education gives efficiency, while the pensions will serve as a bribe to be otherwise. Free pensions at 65 to all, whether poor or not, by Mr. Booth's plan, recommended by Dr. E. E. Hale in *Cosmopolitan*, June, 1903, would cost the state enormously, and while people would not need to keep poor to get a pension, dependence on it would lead the great unthriftly mass to relax effort to save, and a vast amount of consequent privation would be the lot of people whose need came before the pension age. Those too thrifty to be tempted by the pension to relax effort would have no need for it except in a few cases of misfortune. Those so feeble in will as to need the prospect of a pension to lift from "despair" and induce to save, would be too feeble to resist the temptation to spend all and depend on the pension.

ness, and on inheritances and incomes—rent, interest and profits may be largely taken for the public, without possibility of shifting the tax by raising prices, and without discouraging production or wealth accumulation if the taxing and spending policy is wise. Revenue thus raised may be given to the poor in the benefits of cheap supplies under free trade in necessities, of industrial education, of scientific bureaus for increasing supplies by teaching the best development of resources, and even in pension donations to those who are thus induced to save larger sums by their own effort, and thereby to pay the public for the pension received. But with human nature as it is and has always been, the time will never come when, without ruining character and bringing poverty to all, the poor can be so helped as to relieve them from the stern necessity of providing for themselves or suffering the consequences. To a large extent nature has decreed that every tub must stand on its own bottom. Natural penalties require that outright giving be indulged in sparingly. The state or city can supply the people with free games (the pleasures of parks and libraries), but it can never supply them with free bread and live.

Australasian Conditions. Moreover, with the mild climate, rich soil, and resourceful population of New Zealand, there would seem to be little more need for pensions than in Texas—little more need for a European problem of the poor than for a European standing army. Offering pensions will bring applicants anywhere. An easy chance to get help from the state will soon make the need for it. Mr. Lloyd¹ mentions crowds of men in small cities of New Zealand, even in good times, asking the mayor when he would be ready with public work to be done to keep them from want. New South Wales (population then about a million and a half) has spent nearly a million dollars in one year in helping the unemployed by means of relief work in constructing things not wanted. The public debt of New Zealand is the largest in the world per capita, surpassing that of France, and is very large after deduction is made for value of government railroads, which in Australasia are generally operated at a loss. It seems that if the people of New Zealand were as busy as their government (page 712), the latter would not

¹In his books "Newest England" and "A Country Without Strikes." 1900.

have so many of them on its hands. From the questionable step of assisting people to emigrate to New Zealand from England, the appetite for assistance has grown until the government has assumed unheard of functions. The more it takes from the people the burden of responsibility, the less their personal capacity becomes. The high cost of New Zealand's co-operative work, in which, spurning the thought of sub-contracting, it takes the risks, supplies material and superintendence, and pays high wages to men whose interest it seeks without regard to its own,—is said to be over-balanced by the gain of rescuing the unemployed from pauperism; but it looks, on the contrary, as if pauperism is thus being created. Perhaps, before serious harm results, New Zealand will change its policy to teaching rather than helping. Its activity is now intended to be encouragement to self-help, but so far is aiding carried that a more probable result, it seems, will be a stifling of self-help. The use necessary for the existence of self-helping ability must be made real, instead of make-believe, by actual exposure to the consequences of failure. Not a few changes of policy have been made in New Zealand heretofore. The Australasians are among the best of the world's people, and may not continue long in an unsafe way. By reason of sparse population and great distances, more than the usual government intervention, to prevent growth of harmful monopoly, is necessary in Australasia—in state railways and mines, and in state regulation of insurance, shipping, and banking. The wisdom of these kinds of regulation has been proved in many lands. But the unwisdom of much helping of individuals has been proved in many lands also, and doubtless will soon have been proved again in Australasia. Her states (page 340) will soon be forced to stop the increase of public aid, since the growth of that helpless frame of mind which comes from continued borrowing without paying—a mood that tends to find excuses for repudiation—will soon take away ability to borrow. The state's advantage, emphasized by socialists, of being able to borrow at low interest, disappears when it tries to do too much.

Employers' Liability. For the poor in the United States, there is fortunately no problem of pensions. In her rich resources and uncrowded population, very few of the deserving

need public help in old age. To raise the level of welfare there are better means to be taken. For lessening poverty and suffering among her people, one of the first reforms recommended by economists is a change of the common law doctrine as to fellow servants. By this, as practically settled by the national supreme court, a workman cannot sue the employer for damages from an injury due to the fault of another workman unless the latter—especially if in authority over the injured person, and also if not—was negligent in an act that was a positive duty of the employer;¹ and of course damages cannot be secured in that great majority of accident cases which are due to no one's own fault, but to the unavoidable risks of the business. A number of American states have changed the law, especially for railroad companies, so as to make the employer liable in case of fault by any one of the employees in many of the different grades of responsibility. The Colorado law of 1901 makes every employer liable for the negligence of any employee at all, and in scope this act is approached by those of some other states. But it leaves unaffected the cases arising from the risks of the business, and the employee's right to sue is generally of little value, by reason of the expense and the uncertainty of gaining a suit.

Further Advanced in Europe Than in America. The question of employer's liability was admirably settled in Great Britain by the Workmen's Compensation Act of 1897.² It not only makes the employer liable in every case where the injured workman's own negligence was not the cause, but fixes a scale of damages to be paid according to gravity of injury, without suit at law. The employer relieves himself by voluntarily insuring, at his own expense, all his men against accident. The insurance premium, falling alike on all competing employers in the country, is added to prices and thus thrown on the public, who ought to bear it as a necessary part of the cost of production. This change of law was made some years before on the Continent, and in connection with the change the German and Austrian systems of government accident insurance were then

¹See the complete article in *U. S. Labor Bulletin* No. 31.

²Described in Mr. Willoughby's book. See also *U. S. Labor Bulletin* Nos. 31, 32, and 40, for employer's liability laws of the United States and of foreign countries.

established. French employers insure their men in private accident companies, as do the British, though different French industries have carried the matter further by organizing excellent mutual companies of their own.

The Need for a Change of Employers' Liability Laws in America. There are solid advantages to the public in requiring the employer to pay without suit a fixed compensation for injury in all cases not caused by the fault of the injured man himself. The results are that machinery and methods are kept by the employer as safe as possible, law suits are avoided, injured men in most cases are well provided for, discontent from feelings of unfair treatment is prevented, and the cost to the public in higher prices is perhaps not noticeable. Many American railway and mining companies (page 102) maintain accident relief funds, chiefly by deduction from wages; but laws in America similar to the British would provide for millions of workers not thus insured, and would remove the friction with employees over wage deductions for relief fund dues. Agitation by labor unionists in this matter (not yet engaged in extensively by them or by others) might soon carry the reform to the completion it has reached in Europe and Australia. Public opinion is favorable, as shown by some modification of the common law rule in at least twenty-five states, and as shown in a few states by carrying the changes to or near the point of making the employer liable for negligence by any employee whatever.¹ The annual cost to the employer of his men's accident insurance, perhaps not over \$10 per \$1,000 for very dangerous trades, would be a small disadvantage to industry in one state as compared with industry in other states not having the law. In fact it would probably result for employers in gain, being overbalanced by the saving from law suits, and in the greater good will and efficiency of employees. Industry in

¹Since the above was written Maryland has carried this reform practically to the European completeness. Her law of 1903 makes the employer liable for all injuries not caused by the injured person's own negligence, and requires the employer to pay the state insurance department, for each employee, a sum graded according to danger. Half this sum may be deducted from wages by agreement (all of it no doubt, or any other sum, so far as the state has power in that matter). The state insurance commissioner pays \$1,000 to the family of any employee killed while at work.

general is most vigorous under the varied but wise labor laws of such commonwealths as Massachusetts and Great Britain.¹

¹Do Labor Laws Drive Away Industries? Despite the fact that employers still oppose labor laws, and with the same arguments and unfulfilled prophecies used sixty years ago in England (page 334), Carroll D. Wright says there has been perhaps not a single instance in which a desire to avoid labor laws had a noteworthy influence toward inducing location of an industry in one state rather than another, and that most of the New Englanders building cotton mills in the South still retain their New England mills. By detailed statistics the New York labor department proved, in its report for 1900, that Massachusetts, which leads all the states in number and strictness of factory laws, leads them all none the less in industrial progress, as evidenced by aggregate well-being and also in such particulars as building of factories, rise of wages, and increase of workmen's savings. In Europe the laws apply to the country as a whole, but the countries there compete with one another industrially as do our states, though the latter have no tariffs. By reason of the long absence in the South of manufacturing, the bidding there for Northern capital by offering freedom from labor laws is probably not felt to be the unfair competition that it is (page 507).

Under the Difficulty of Inducing the States to Enact Uniform Laws (which uniformity is urged by the factory inspectors' association), it is well that for unfair competition nature soon brings retribution, in the dulling and weakening of operatives worked too young and too long, and paid too little. That this effect is being observed by Southern people is shown by their new laws restricting child labor, and by the readiness of many of their manufacturers to discontinue night work and to lessen hours. Unionism also equalizes conditions gradually by bringing into its fold the more efficient workers everywhere. Moreover, the competition, though unfair, is not vitally serious. So far as the New Jersey manufacturer's disadvantage in being limited by law to a week of 55 hours, against 66 and 72 in the South, is not balanced by faster or finer work, he has recourse to adjustment of wages; and the only condition to prevent lowering of pay is access by his workers to better business, which is open to him also. These natural remedies will prevent the growth of the present slight demand for national uniformity of hours under a law of Congress. Conceivably such a law might become constitutional if necessary to prevent grave injury by production with exploited labor in one state of cheap goods to be shipped into other states; but if so the people would have lost capacity for self-help, and would be likely to lose their general liberty in the old way of centralizing power unduly in the national government at the loss of the local governments.

The Old Bogy of Unequal Advantage in Competition appears in this matter of labor laws. It must have been as a tobacco manufacturer, not as the able economist he is, that Mr. Theodore Marburg advocated a constitutional amendment to enable Congress to enact an eight-hour law for

Unemployment Insurance, which is furnished by private companies in Germany, together with insurance against reduction of salaries and a great variety of other risks, has been tried on a small scale under public control, both on a voluntary and on a compulsory basis, by several cities of Switzerland and Germany, especially in winter during the dull times of 1893-97.

all the states alike, and said that securing such a law would be doing for the white laborer something akin to what Lincoln did for the black. (Report of Civic Federation meeting, Dec. 1902.) In laws on hours state uniformity was emphasized as important by the Industrial Commission. We can agree with Mr. Marburg (p. 442) that the state, as Jevons taught, should do whatever will increase general well-being—even to taking the criminal's natural right to life. But this protectionist, unionist, and socialist idea of necessity for equalizing competition is unsound (see chapters on prison labor, collective bargaining, and trade liberty). Unions are right (see Mr. Gompers' address in the report cited) in disregarding the claim of employers that before adopting in a trade the eight-hour day adherence to it should first be secured from all competing employers in this country, and even with the trade in Europe.

Instead of Thus Waiting for the Impossible, unionists rightly exact at each place all that its labor market and product market will afford, but do not close out an employer to competitors unless his workers can go to the latter or to a better trade (pages 126, 335). Similarly, to escape union exactions carried too high, book printers have rightly sought to best utilize the field's advantages by locating in smaller cities out from New York and Chicago, while many other concerns are now said to be leaving the latter place, much trade has been driven from New York, and in years past unionism has killed a few industries in different cities. Fortunately, the employer cannot usually be penned up and robbed, nor can the worker be exploited unless he is helpless, and even then exploiting him is soon found not to pay. The trade advantages of location in a large city raise high the limit of union wages there; the disadvantages of distance from it, considered with the gains of lower wages and lower rents elsewhere, determine to what extent employers can leave it. With the tariff Congress can do nothing for a short day in farming and other exporting trades not to be protected, and those trades it could protect the cheapest home labor could enter unless shut out and exploited by union monopoly as in city building trades and local services. Six hours for a trade in one state and twelve in another would be no greater difference than there is now in local wages (p. 150), and in costs of fuel and freight. The disadvantages of the employer in the worst location his employees must obviate by taking low pay unless better work is open to them, as "the pauper labor of Europe" must do. For a day unduly shortened the pay is a similar safety valve (p. 421). Attempts to make artificial equality are bad if carried far.

The risk proved ill-suited to insurance, which led to relaxation of effort to get and hold employment, and threw the cost on the public and on those insured who had regular work. However, a demand for such insurance by the state is growing among German socialists, together with a demand for old age pensions paid from taxes, and guaranteed support when work is scarce without the stigma of charity; and the government is considering pensions for widows and orphans. This risk of unemployment is best insured against in the out-of-work benefits of trade unions, which detect fraud and assist members to find work. For workers not in unions the need is best met by the now numerous and successful free employment bureaus of states and cities. Sickness insurance is best provided by trade unions and mutual benefit societies, in which mutual acquaintance of members can alone prevent fraud in pretended sickness. The sickness insurance in Germany has proved faulty in this respect, despite its administration by local boards. The American companies now furnishing sickness insurance (on a small scale as yet) guard against fraud by limiting the benefits to specific diseases.

CHAPTER XXII.

THE POOR AND THE UNEMPLOYED.

Misfits in the Industrial World cannot be avoided so long as each person has the liberty of choosing what he will do. Good judgment will never be possessed by everybody. Some will get the wrong work, and make a failure of it. Too many will choose one occupation and overcrowd it. But who wants surer success, if it were possible, at the cost of his liberty of choice—by taking from a socialistic state a compulsory assignment of work? People cannot possess a free will without risking consequences. One party in the case, the public, cannot rightly be held (nor will nature permit it to be held and live) to a certain act, such as supporting a man decently, when he too is not held to another act, such as earning his support, if his best efforts will do so. To the rule that everything of value costs something, freedom is no exception.¹

The Certainty of Support enjoyed by the child in the home, or by the barbarian in the tribal village, would now be to the civilized adult a poor return for having his hope and effort sunk in subjection to the ruling authority. An idea more vain could not well be imagined than that under socialism the people, the owners of the means of production, could enforce their will half so well as they do now. The effect of a guaranteed support, and of having to divide one's product with others, would be to weaken the desire and the power of self-assertion, and, whatever the forms of voting, the people would soon fall under bosses or chiefs more or less absolute, as in tribal life in all ages.

¹Socialists make light of the freedom under present conditions, with the scant opportunities for the poor. But as in government it is only freedom to do right that is meant, so in industrial society it is only that freedom which under nature's law is socially and individually beneficial. Society is not free to help the poor as demanded by socialists. To do so would be to destroy itself. Even God, without destroying his character, is not free to depart from justice and mercy.

As socialism is approached, individual liberty disappears. By the vast bureaucratic system in Germany—the tens of thousands of officials that administer the government's compulsory pensions and various other activities—the people's power of choice is greatly curtailed, a few local voters having no influence over the rule imposed on them from distant headquarters. Some flagrant cases have occurred of wrongful arrest, and of variously arbitrary action, by officials not affected by local disapproval. Any approach to complete socialism is for children and barbarians, or for others brought into similar subjection and brotherhood by danger or religious zeal. Such classes are the only people who have ever lived under socialism. Under the wise father's rule on the farm, the son who attains any influence in management of affairs does so with self-reliance and proved ability. Sons of different character are in complete subjection. Where the latter obtain a voice in affairs by clamor, instead of by merit, the family suffers loss or impoverishment. In the barbarous tribe the men whose voices were heard in the council were those who could do things, especially fighting, and who *competed* with one another in prowess, not those who saved themselves by huddling in the tribe's bosom. In the successful and wealthy communistic societies, like the Shakers, a few wise men are in full control, sometimes one man for many years. The spirit of their followers, contented and religious, is the opposite of that of the clamorous people who now desire to establish socialism.¹ It is by meekness, holding these permanent communities together, that their members inherit what

¹**Above All it is Obedience** (what is more obnoxious to socialists?) that is the basis of collectivism. It is self-abnegation, with obedience to superiors, that holds together the monks in the monasteries of the Catholic and other religions; and it was obedience (chiefly to himself) which Brigham Young said, if carried far enough, would bring the Mormons to their ideal of pure communism. The Mormons become more like other people, and more enterprising, as obedience declines and intelligence increases. In not one co-operative community in America that has lived ten years have the rank and file a noteworthy share in the management. Generally a democratic community dies quickly. Those communities have lived longest and prospered most in which "an almost military discipline has been exercised by some central authority." It seems that the kind of religion best suited to hold together a co-operative community is a fanatical belief, which accepts leaders as divinely inspired.

they get of the earth. The dozens of these societies that have failed ignominiously in America (page 93) lacked the spirit of obedience to wiser members, of patient industry, of taking meekly what came, of sacrificing self for religion and the present world for the world to come. Too many of the members wanted to get help instead of giving help, and by reason of debt and failure they soon had to separate to escape starvation. Some of the successful communities have separated because the younger members, coming in contact with outer society, grew tired of burying their talents for the sake of material comforts, and for the sake of a religion that too largely ignores the good of fellow men outside. Individualism and competition, regulated by laws that give all the help that nature permits, are evidently the system for civilized men and women, appreciating God's wonderful gifts in mind and in material resource, and rejoicing, like the youth leaving his paternal home, to take the responsibilities that open the field of wealth and achievement. Those in the best communities mentioned are fairly industrious (not enterprising), but without the religious motive, and the leadership of men brought up under competition, communism cannot coexist with machinery. It is suited only to the dull farming and stock raising of tribal times, the labor of which men had to do or starve at once.¹

A Better Remedy Than Socialism. The one way by which a grown person can escape trouble is to learn how to use the free will—how to choose wisely. Mistakes are of less consequence to the child, or to the man under socialism, both being mainly provided for by others. That is why it is, there being no

¹Even the good people of Plymouth colony had soon to consider how to "obtaine a beter croupe, that they might not still thus languish in miserie." After collectivism was abolished, and each family left to produce for itself, many worked well "which before would aledg weakness and inabilitie, whom to have compelled would have been thought great tiranie." (Gov. Bradford, quoted at length by Ely, "Industrial Society," 1903.) Commander Booth Tucker, who has charge of Salvation Army colonies, says community ownership "usually results in the lazy doing nothing and expecting everything, while the industrious do everything and get nothing—at least nothing commensurate with their toil. Thus a premium is placed on idleness." It is mainly by assistance to private ownership that men in the army colonies are reformed, as by such ownership civilization was built up at first (p. 45).

effectual teaching but experience, that under individualism only can people acquire or retain the power to know and to do. Possession of this capacity, with the power to concentrate on the main work and avoid frittering away time, is the all-inclusive remedy for the present ills of society.

The Duty of the Strong Classes of people—strong in wealth, influence, or practical ability to do—is to help and encourage the weaker classes to break away from bad habits, to develop desire and hope for better things, and to gain self-control and business judgment. What is best for each is best for all. Having each engaged at the needed work he can do best, gives the country the maximum of buying power, contentment, and good citizenship; the minimum of incapacity, poverty, vice and crime. Assistance to the weak, however, must usually be confined by the state to such help as that of tenement and factory laws, and practical education; and when rendered by the private citizen it is most effective if devoted to awakening hope, and to leading one into the work he ought to do. Excepting temporary relief to the sick or hungry, to put them on their feet, the giving of anything that a person might get for himself will injure his character and make him more shiftless. This fact of human nature could not be more inflexibly decreed if it were written by God in gigantic letters of flame across the midnight sky. We can only help people to help themselves. It is inevitable that suffering must come to those who fail to do their part to guard against it. It cannot even be warded off by society from those who do their best but make mistakes. Only the consequences of mistakes will make a person watchful to avoid them. The state and private societies might render the poor much more help of a permanent kind, such as finding good homes for children growing up in neglect and vice; but pauper relief must always be scanty and undesirable. To make it better is to make more paupers and more misery. Unwise charity is less a waste of money than a waste of men.¹

The Fear of Want, many now argue, was exaggerated by the old economists as a necessary incentive to industry and prudence. Under socialistic influence, the tendency is now toward the other extreme, of a fairly good public support guaranteed. The claim that the fear of want is the worst element in poverty, the stumbling block of progress, seems to be true of none perhaps except a few that are being brought downward

The Evil of Giving to Unknown Beggars. Kind-hearted people who give to unknown beggars, tramps, begging agents, and organ grinders, harm the receiver by turning him further from honest work, and maintain the begging practice by which society and the beggars themselves are cursed. Outright giving is a dangerous practice, like administering morphine—to be resorted to in extreme cases only, and then by one who knows what he is doing. If there were no indiscriminate giving, there would be no indiscriminate begging. The effort spent in going from house to house would in many cases be at once devoted to useful work if begging ceased to yield returns.¹

by misfortune, with whom the fear of want weakens health and energy. Placing these on their feet is the most fruitful field for the helpfulness of friends, though it must sometimes be done by the state or by the general public, as in the case of great calamities. The main source of trouble in elevating the poor, the dull and shiftless, is that of want they have no fear at all, living like animals and savages without thought of the future, and caring so little for want that they make no effort to overcome it. This is the case, too, all the way up the social grades, with people who do not check present desire, and hence fail to save for improving their condition. By all kinds of education the public can awaken in every class a desire and effort for better things, and by quickly and variously recognizing merit (even to the extent in Europe of adding a little in pensions to personal savings) can encourage efforts at self-help; but by nature the fear of want—of exposure to consequences of neglect and failure—must remain with every person, so far as the state is concerned, down to the limit of a pauper's support (which must be given, even though undeserved, to avoid the brutalizing effects of the presence of suffering on the public character.) Life is not child's play—is no make-believe affair. When people are grown they are supposed to be men and women. The ultra civilization that attempts to rule out exposure to want (and that goes very far in relieving legal punishment of its severity), will soon find itself moving backward toward the early socialistic state of barbarism.

¹**The Giving of a Tip** is felt by some to be a generous act; but almost unavoidably the receiver must be for that moment not a self-respecting wage worker but a bribe taker or a servile beggar. A subordinate officer who receives tips is not an impartial guardian of all, but is the tipper's hired mercenary. Tossing a coin in approval of a service well performed, was perhaps a proper act from a prince to a menial serf. But is not every man in America said to be a sovereign? The tendency of tips is to make beggars of all who receive them—to lead them to neglect the work they are supposed to be paid for in wages, in order to fawn upon those likely to give the largest tips. It is an evil way to show off wealth and generosity. Expectation of tips leads men to accept wages very low.

This Hard View of Allowing People to Suffer Consequences, is there not something wrong with it? Did not Christ and the Apostles teach that giving to the poor was an act of

Some employees in barber shops and similar places are said to have no regular wages at all, depending wholly on tips. In such cases they are not beggars so far as they do not force their services on or pay from patrons, and so far as the latter know that a tip of a fixed amount is to be given as the waiter's pay. Where the proprietor's charge is high enough to cover wages, as it surely seems in many cases, patrons giving tips pay twice. The Continent of Europe is noted for tipping, as might be expected in countries of low wages, many beggars, titled classes, and exclusion until recently of the common people from the rights of voters.

A Reaction Against Tipping Has Set In. The British Museum contains placards stating that any employee who receives a tip will be discharged. A law forbidding tipping on sleeping cars was considered in 1901 in the Colorado legislature, and in 1902 the practice was forbidden by the company on the Santa Fe dining cars. Many patrons of New York hotels, it is said, have been reserving their patronage for those in which employees are forbidden to receive tips. Even in Paris hotel employees it is said, are now seeking to abolish the practice, and to secure full wages instead. Such united action by the workers, aided by the patrons, as stated above, would soon bring employers to terms in America, under the growing aversion toward tipping, which is believed to have fallen off by half within ten years. (*Independent*, March 26, 1903). Those who now refuse to tip are not disowning an obligation to pay the workers, since people of such principle are not the ones who, by starting the custom, led employers to lower or abolish wages. Such refusal, together with boycott of employers who permit tipping, is the surest means of having wages restored. No doubt in America tipping has been more the fault of a lordly giver than of a servile receiver, lordliness coming first and producing the servility. Very probably this was the reason for the growth of an expectation of Christmas presents to letter carriers, who as a class would seem to be so well paid, and so efficient and self-respecting, as to avoid tip-receiving servility, unless drawn into it by a readiness of others to give bribes for the sake of extra attention in service, to the loss of others neglected in consequence. Authorities would be justified in forbidding the earning of tips in time paid for by all for all.

Additional facts as to tipping are the following from an editorial in *The Independent* of Aug. 27, 1903 (the article above cited was by a colored waiter). A union to secure higher wages and abolish tipping is being formed at Chicago by colored porters of the Pullman company, which built up the tipping practice in America. The inherent badness is indicated by furtive giving, and by a receiving that indicates shame to be seen. The indeterminate amount necessitates beggary, separating the case from that of one price, open and honest. Formerly all trade and industry were

great virtue? Undoubtedly, relief for present need, without hope of permanent benefit, was necessary with a hundred cases in that day to one case in our time. In that cruel age of conquest and oppression, the Eastern Roman Empire was filled with the leprous and the blind. Christianity and civilization had not yet had time to teach society to help these systematically. Reliable medical and sanitary science had not yet been born. Blind Bartimeus, and tens of thousands like him, could only beg or starve. But is it to be supposed that Christ or Paul taught as a duty any helping that carries with it dishonesty to the heart and shiftlessness to the character? After feeding the five thousand (because being far from the city and already faint, they could not get food for themselves) Christ quickly perceived that the idle mob, in their desire to make him their king, were selfishly seeking from the Great Provider the earthly bread that perishes. He did not permanently provide all the poor with plenty, as with his power he ought to have done according to the socialistic exaltation of the material above the spiritual. For all his blessing of men in body the purpose was that he might thereby bless them in soul. "He that provideth not for his own, and especially those of his own household, hath denied the faith." Paul, the author of this declaration, and of the maxim that he who will not work should not be permitted to eat, and who said to Timothy, "Let not the church be burdened,"—exhorted that "with quietness they work and eat their own bread," and urged to "labor with your hands, that ye may have to give to him that needeth." No advice is given as to receiving. Perhaps because of the hopelessness of insurrection or escape, slaves are urged to serve their masters faithfully, as unto God, not only the good and gentle masters, but also the froward. It is unlikely that any receiving was taught as right that could be avoided. To do

deemed degrading, and even doctors' pay depended in amount on the patron's bounty, as is yet the case with lower grade musicians. Anti-tipping leagues have come and gone. W. D. Howells, some years ago, pleaded with New York hackmen against tipping. But the time will come when the bootblack will be offended by a tip, as any one of us would be. It may be added that from the luxury that ruined Rome some elements of unionism must save society in tipping, as well as in liveried service. Society is in danger in these respects.

what little good he could was just as much a duty on the weakest, as to do much was a duty on the strongest. "Every man according to his several ability." It was in proportion to her means that the widow's two mites were the largest gift of all.

The Teaching of Christ as to Helping Others was summarized in his saying, "He that is chief among you, let him be as he that doth serve."¹ Ministering, not being ministered unto, is

"**Give to Him That Asketh Thee**" is no more to be taken as a warrant for giving to beggars indiscriminately, than is Christ's other saying, "Ask, and it shall be given thee," to be taken as a promise that any foolish or wicked prayer will be granted, or as a warrant to every one to beg for a living. As by common sense implication, as well as by express words elsewhere, one is not to ask amiss, but only for things deemed consistent with one's spiritual good, so one's giving must be directed to the highest good of the recipients, and special care must be taken, because of their weakness in mind and will. "Sell all that thou hast, and distribute to the poor" was a call to the rich young man to devote his life to the gospel, as the apostles had done, and as those do now who realize, from fitness in person and in conditions, that thus they can best serve God and their fellow men. But it is not to be supposed that the money was heedlessly to be flung among groups of vagrants; and if any care at all was to be used in the distribution. what warrant was there for not making it as wise as possible?

The Giving Was to Consist of Service, such as the ministering to the sick and imprisoned for which many will hear with joy the words "Come, ye blessed of my Father." Moreover, these teachings of Christ were addressed to his disciples, who were poor themselves. In healing the lame man Peter said, "Silver and gold have I none, but what I have, that give I unto thee." Aside from a few cases of such healing, their part was to comfort with the helpful attentions that have little or no money value, and with the spiritual gift of the gospel. In fact, a readiness to give to him that asks, and not to turn the borrower away, is the rule now with people in general, especially with the conscientious, when the giving or lending is deserved, and will yield net results in good above the trouble involved. Many a person today, after being smitten on one cheek, turns the other also. This is done by missionaries and Christian workers who persevere when their first advances to win people are repulsed. But they do not continue turning the other cheek until their lives and resources are wasted. On the contrary, when persecuted in one city they flee to another, and take advantage of law by appealing to Caesar. Christ's teaching must be interpreted sensibly as a whole. On detached fragments of it all kinds of foolish vagaries have been based. In determining "what would Jesus do," one may be sure that no beggar would deceive him, and that he would

the essence of the gospel. Now this is exactly what is taught at the present time by all who bring reason to bear upon the subject. There is no problem about helping the poor. All understand it who have earnestly considered it. He who would help cannot do his part by lazily dropping a nickel into a tin cup. He can not buy off from the duty so cheaply. By that act he establishes begging as one of the country's industries. To lift out of beggary he must become humanity's servant, spending his time to find out the cause of destitution, that he may seek to restore the beggar to honest self-support. If the need must be supplied at once, he must see that his money is spent wisely, giving an order for food or fuel, as the good Samaritan handed his money, not to the man helped, but to the innkeeper. It is *visiting* the widow and fatherless (helping them with advice and influence to earn a living) that James says is pure religion and undefiled. If one cannot do that, he must at least do the unpleasant duty, often requiring moral courage, of refusing to give unless he is sure the gift will be a real benefit.¹ The perfected system of helping the poor is

render no aid to the injury of character. For an admirable discussion of this subject, see F. G. Peabody, "Jesus Christ and the Social Question," 1900.

Generosity as a Virtue. Since, in the show of generosity in giving to beggars, like that of giving tips, there is a disposition to regard as stingy the person who refuses, which disposition is of course encouraged by the recipients, there is a call here for readiness to do disagreeable things for the sake of principle—a readiness that is marked in trade unionism. Those who are averse to being guided by principle, and who pliantly do as others do around them, are largely responsible for the growth of evils. Generosity is a showy and popular virtue, but one of very low grade. It is characteristic of gamblers and dive keepers, and of others in bad business, as it was of slaveholders and of all people who gained by oppression, its effect on the giver being to justify his conduct and ease his conscience, while reconciling the oppressed to submission. The unquestioning generosity of saloon keepers wins customers. But the sympathy and hospitality of barbarous tribes, and of the poor in the slums, are not connected with wrong. These virtues, instinctively felt to be praiseworthy by many in every class, are the highest morality to be reached among people led by mere feeling, and largely incapable of the deliberate thinking which perceives that the man ready to share his last loaf with the undeserving confirms them in their shiftlessness, and makes his own life and theirs parasitic in sharing the loaves of many others to whom they are unable to pay just dues.

But the Typical Charity Worker's Practice of Investigating merit

that of the educated and refined people who are led by the spirit of Christianity, or of philanthropy springing from it, to give *themselves*—to be good *with* and not *to* the poor—by living in social settlements in the slums, that by neighborly example, as well as by precept, they may continually teach honest work, innocent recreation, and noble self-improvement. This is the kind of helping that helps. The altruism that is a benefit to the poor changes them into a different kind of people. Christ's method of reaching one at a time (but for social no less than individual good) men's hearts and characters, not attempting outward mass movements,—is still the method in charitable effort by individuals. The public can change environment, by means of factory and tenement laws, but in this way too the results are attained by improving character. Whatever the state's resources, to none but the utterly helpless does it dare to supply food and shelter.¹

before giving tends to displace his sympathy with hardness of heart—to displace spontaneous goodness with studied design—and hence may deserve some of the criticism it evokes. Spontaneous goodness is so precious a quality in this world of trouble that it needs to be conserved. Miss Addams's commendation in her recent book of the lady who continued to befriend an old woman of faulty character is doubtless based on the lady's exemplification of Christ's spirit of loving all, down to the lowest, and of forgiving seventy times seven. However, it seems that while one should give out spontaneously his love and sympathy, he might, without hardening his own and other hearts, give out his money where it would do good instead of harm. The fondness of the poor for impulsiveness from the heart, with their dislike of prudence from the intellect, is the main cause of their trouble. People must learn to have heart and intellect together and to confine each to its proper functions.

¹Methods of Giving Judiciously. Giving in time of need a sack of flour or a lot of cast-off clothing is commendable as encouragement to poor people who it is known will not relax effort and depend on gifts. But unless industry and self-respect are strong, the smallest act of charity is risky. Giving the washerwoman an extra quarter will often induce her to gain by appearing poor instead of by doing good work. Sometimes useful things can be given to a family without the knowledge of a drunken father, who would not hesitate to squander his wages Saturday night if he knew substantial gifts were coming next week. When gifts thus expected fail to arrive, the family misery becomes acute, worse than if no gifts at all were received. A great deal of misery has come in that way. Any gift to the poor, however meritorious the giver may feel over it, is a doubtful

To Make One's Money Gifts a Blessing Instead of a Curse, they must be reserved for those whose cases are known, or must be bestowed through a society that makes a business of investigating and helping intelligently. Ordinarily, except within the circle of one's neighbors and acquaintances, it is through such societies that the busy man's giving must be done. He cannot be a good Samaritan and be at the same time a faithful steward (Peabody) in the business by which he best serves God and his fellow men. Yet few persons are rightly so busy as not to have some spare time for the best help of all, which is to find for a person suitable employment, continuing to advise and encourage him, that he may become well able to care for himself and to make the most of his life. "Not gifts, but a friend." And it is upon a person's deserts, not his needs, that assistance by private givers must depend. If need is made the basis of help, honest merit is placed at a discount, and thieving false pretense at a premium. It is the drawing effect of need that leads Chinese beggars to maim and blind themselves horribly, human fiends in large cities to make begging children miserable in appearance by cruel abuse, and organ grinders everywhere to pose in mute appeal on the streets. Assistance given by the poor authorities is based on need, but with them there is little room for fraud.

Charity as a Means of Grace. During the Middle Ages charity, in the giving of money, without concern as to the character of the beggar, was viewed as a Christian grace, as bringing the giver into favor with God. The beggars, swarm-

benefit unless first the trouble is taken to find out that it will not cause a relaxation of work. In some cases a person to whose family gifts came often, would, in dependence on them, offer to work for lower wages, in order to get or hold employment. The tendency of the giving would be to make his work worth less. An important effort, both of the state and of private charity, is to rescue sick women and helpless children from homes of drunkenness and neglect. Nearly all the young taken from such homes can be brought up to good character. Michigan cares admirably for dependent or abused children. Cases are reported by the police and poor authorities, and when no relative or friend can be found to care for a child, it is sent to the State Public School at Coldwater, to be cared for and educated, and to be placed in a family home as soon as practicable. The diminution of crime in England during recent years seems largely due to the efficiency of caring for abandoned and perverted children.

ing around churches and monasteries, very naturally took care that opportunity to grow in grace was not lacking. Their descendants may be seen in the repulsive human objects that now beset tourists in Southern Europe, where much mediævalism remains. There are cases of European towns in which an endowment, left many years ago by a pious giver to provide a charity income for the poor, had the effect to draw into the ranks of the recipients a majority of the people.¹ It was such ruinous results in Europe that forced the state to take the care of the poor away from the church, a transfer that the state only recently completed in Italy. The same blind ideas of Christ's teaching on charity are responsible for most of the American begging of to-day. A scabby arm, showing need but questionable merit, still has fetching powers when shown from door to door.²

The First Remedy for All This Misery among beggars, many of whom are innocent little ones driven to the streets because people give to them, is simply to make a settled practice of never giving to any person not known. This may seem unkind, as does denial of harmful indulgence to one's own children, but it is effectual. With no giving to strangers, no

¹**The Influence of Homes for the Aged.** The home for the destitute that is to be established with the late W. S. Stratton's \$15,000,000 (page 382) will presumably admit none but those who from age or infirmity are obviously helpless, and who in no way were hastened in becoming so in order to gain admission. The presence of such homes tends to multiply the classes to be aided. It is a dangerous thing to change far the world's conditions from their natural hardness, instead of educating people to meet it. Despite the public duty to care for the needy among the old soldiers of America, and despite the splendid record of her soldiers in war and in peace, it is probably true that the effect of pensions and of soldiers' homes to induce men to give up work, and to take on age or infirmity, has brought on the country in lessened production a far greater cost than the three billions paid out in money, besides a heavier cost still in degradation of character. Even to one's own son a legacy is a source of harm—often of ruin—unless he has been trained to be worthy of it, like the several generations of Vanderbilts.

²"The man who boasts that he never lets an appeal for charity go unheeded, gets satisfaction for himself, but at the cost of a lot of harm to the beggar and to society."—*Jackson Press*. In this pious selfishness he worships by means of human sacrifice, since by his gifts the beggar is ruined body and soul.

needy person would travel from his home town. There, each poor person being known, criminal false pretense would be difficult, and temptation would be least to give up honest self-support. Charity would depend upon merit, not upon appearance of need. Cases of helpless destitution would then fall upon the taxpayers of the home community, which ought to support them. Those able partially to maintain themselves would have there the best chance to get the work they could do. These facts have long been well understood by charity workers. The union of charities in a city—working together to reach all the really deserving, to weed out all others, to keep people from and lift them out of pauperism by elevating their home life and their habits, to abolish poverty as far as possible—should have hearty coöperation from all citizens.¹ Refusing to give to strange applicants, every person should refer them to the charity office. When they are deserving they will not object to going there. People who persist in giving to strangers, and to the known undeserving, will continue to be responsible for the beggary there is. The laws that now stop some of the professional begging might perhaps be extended to cover more cases. The newspaper writer who sometimes holds up his hands in horror at the prosecution of beggars by the charity society's agents, forgets that he is criticising people who know their business, and whose motives would bear a test better than his.²

¹Largely through charity organization the paupers of London, despite the increase of population, decreased from 138,536 in 1869 to 89,926 in 1886. At Elberfeld, Germany, where coöperation of public and private agencies has brought poor relief the nearest to perfection, the poor tax fell from 4½ francs to 2. Half the cost of legitimate government is in supporting, punishing, and guarding the pauper and criminal classes. (C. R. Henderson, "Defective Classes.")

"It may be seriously questioned whether individual attempts to relieve pauperism have not done more harm than good. This is true beyond all question so far as alms giving is concerned." (Prof. R. T. Ely.)

²**Complaints Charging Neglect** on somebody are common on occasions of waste, as when peaches rot by the carload in growers' orchards while the poor in the cities are suffering for such food. But there is no occasion here to urge consideration for the poor. At every point a force is in operation tenfold stronger, the motive of personal gain. Who would try so hard to get the peaches to consumers as the growers and shippers who must lose all that spoil? It is for them to choose between the risk of loss by spoiling, and the risk of loss by hiring too much help for a time and a

Neither Will There be Any Tramps when people stop feeding them, though in their case the law is clearly lacking. Oftentimes people will not refuse food to a tramp for fear he will take revenge and harm their property. To the extent that they are thus forced in their giving, a tramp is a robber or blackmailer. Doubtless the present lenience of the law toward tramps is due to a notion that they are unfortunate men seeking work. They are often portrayed in that light by political or socialistic speakers, when trying to show that the times are out of joint. Any one personally familiar with the subject might jokingly answer that a tramp who really wanted work could get thirty dollars a week as a monstrosity in a dime museum. They are as easily insulted with offers of work beneath their dignity as with food that is lacking in delicacy. Most of them have lost the power to work many days at a time—have lost will power rather than bodily strength. With nearly all cases it was the whisky habit that first changed them from workers into tramps. Drinking¹ and tramping continued, soon confirm them in their vagrancy. But the remedy for their case is easy. Some cities are now freed from tramps by imposing a work punishment in the jail yard. A law confining tramps at hard labor for a considerable time, if strictly enforced, would soon cause them to go round a state. Such laws in all the states would stop the tramp nuisance. They would then live like other drinking men. Pity for the poor tramp

quantity of work not to be known beforehand. It is the necessity of labor, at good wages, to handle the fruit, that deprives the city poor of more and cheaper peaches. Nature is full of such waste as that of a glut of fruit. Wood rots in the forest while people freeze. Their minds and hands were given them for supplying themselves, either by going to where the food can be obtained, or by doing the work that will bring it. In their readiness to relax effort and depend on help, all the public can do for them is patiently to teach and assist them into better self-support.

¹**Should the Tramp be Blamed?** While by means of the wisest laws to be devised in regard to the currency, the tariff, etc., and by means of individual foresight (page 456), every effort should be made to avert industrial depression, and while society is to blame for its slowness of progress in this respect, as well as in respect to tramp laws, the tramp himself is to blame for his condition so far as he failed, when first idle, to do his best toward overcoming the temptations that were not yielded to by many thousands of others in like circumstances and with like moral endowment.

could not do more for him than to deliver him from the miseries of tramping. Deliverance of the people from his begging would be extra gain. The home town is the best place for a tramp, or for any other person who cannot easily get and hold employment. There those who know him will give him the help he deserves. Too often it is because he is known at home that he goes elsewhere. There is a decided difference between tramps and workingmen. The latter include the Swedes and Finns, who on arrival in America go anywhere and get work at once, asking no favors. An employer takes risks, and generally loses in inefficiency, by hiring a tramp or other stranger who needs help; yet, in spite of shabby clothes, a man ready to do faithfully anything offered can usually get a chance to prove his desirableness. Of those forlorn men, not yet settled into the tramp's indifference, who warm benches all night in the parks of cities containing hundreds like themselves, it can hardly be that many would have had no chance for a living at or near home, if they had shown merit, and had been willing to do any kind of honest work. That because of general dull times there is no work at home is a reason why all except the industrious should stay there and use what few chances they have, and fall on home charity if one must come to that. In other towns idle residents of known character deserve and get the new work arising.¹

¹Work to be Had by the Deserving. W. A. Wyckoff, in telling the Industrial Commission in 1901 (Vol. XIV.) of the jobs open everywhere, at wages from which he could save half, when after graduating from Princeton he tramped across the country as a laborer in 1892-3,—admitted that the case would be different for a man with a family. But the married man's settled character makes employers prefer him, and gives him a better claim on local favor, as does his family's trade, and their ties of relationship. Mr. Wyckoff, finding no need for trouble with one willing to do any honest work, thinks the unemployment problem arises from lack of adjustment between labor demand and supply (page. 264). The crying demand for several years in many states for labor to save crops is only seasonal, but Mr. Wyckoff, being suitable in appearance to take into a family, was urged by farmers to stay over winter at nominal pay, that they might be sure of his labor next spring.

Tramps and Officers' Fees. In Michigan the arrest of tramps now affords opportunity for local officers to gain from fees at county expense. The two following paragraphs appeared in a newspaper of Jan. 12, 1901:

"So wrought up are the — supervisors over the running of tramps

A Standing Offer of Work or Relief to Every One in Need is probably necessary to stop indiscriminate alms giving. Until there is a convenient place at which all in need will be at once provided for according to merit, the many people who lack the self-control required for the practical line of action set forth above, will continue to give to beggars. Many persons would rather give to five beats than to turn off one worthy case. The compassionate spirit of the giver is generally commendable, especially in view of his own sacrifice, and of the fact that while yet untaught none but independent thinkers are blamable for holding false views of the merit of alms giving. Possibly the injury to society, from his keeping of beats on the road by giving to them, may not be much greater than would be the hardening effect on him and his class of turning away apparently needy people, with the knowledge that some of them were worthy. Before a general refusal to give could result in a general cessation of begging, the compassionate would need to harden their hearts against many pitiful appeals. Hence, to enable them to refuse without hardening their hearts, and to abolish all begging except appeals to friends, the duty of the public through government, it seems, is to assure givers that no worthy case is being neglected. Though in many a city a central body, acting for a union of separate charity societies, has done good work in investigating the merit of applicants for aid, the task is too great for private resources. A start toward assuming the task by the public has been made in the employ-

through the — city courts that one supervisor has offered a resolution which, if passed, would create a fund of \$500 for the running down of persons engaged in the traffic illegally; also to offer a reward of \$50 for the arrest and conviction of such officers."

"On Monday night 100 hoboes struck Durand. They were packed in a box car, and said they were going to Chicago. The railroad company can do nothing with such a gang, and say they allow them free transportation."

The above estimate of the number of tramps was probably liberal, though in the spring of 1902, when employment was plentiful everywhere, no less than 125 in 11 days applied for lodging at the police tramp-house of Jackson, Mich.—23 able bodied men in one night. Since 1901 some of the leading railroad companies, in different states, have been taking determined steps to keep tramps off their trains, and have been using with some effect what law they have. They may succeed in making tramps less numerous along railways.

ment offices now maintained free by the labor departments or bureaus of a number of American states.¹ While everywhere there are public officials to care for the poor, they are not prepared to do more than to relieve utter destitution. They can do little or nothing toward investigating merit or finding employment, and to avoid encouraging pauperism their simple giving of supplies has necessarily been kept uninviting and somewhat inadequate. The nearest and quickest approach to

Free Employment Offices are very useful, because of the ease with which men conducting such offices for gain swindle the poor persons paying them fees. By law in some states the fee must be returned if no position is secured. The New York state bureau in 1900 secured positions for 3,526 out of a total of 5,732 workers applying, the positions being mainly for domestic servants. For 1901 the state offices in the five largest cities of Ohio reported the following: Applicants for work, 12,635 males and 10,688 females, of whom 8,155 males and 8,682 females secured work by the aid of the offices; applications for workers, 11,727 for males and 16,547 for females. The state offices in Missouri's three largest cities, in 1901, received 12,035 applications for work, of which 8,107 were successful; and received 16,988 applications for help, 8,401 of which were supplied. At Seattle, Washington, the municipal employment office, conducted by a municipal labor commissioner having the full confidence of both employers and workers, secured employment in 1898 for 24,183 persons, at a cost of only \$1,377. Doubtless in many cases the same person obtained positions a number of times.

In Europe free employment offices have been maintained by the state for nearly twenty years, and very successfully. Austria has two thousand of such offices, public or philanthropic. In 1899 the 15 largest German offices received 282,974 applications for workers and 300,800 applications for employment, and filled 216,532 positions. This success was largely due to coöperation between widely separated offices—a coöperation not yet important in America. France has 1,500 licensed private agencies, and scores or hundreds of each class conducted free by municipalities, trade unions, employers' associations, and bodies composed of both employers and employees. (See long summary in *U. S. Labor Bulletin*, Sept. 1903.)

In New South Wales in 1896 public officials found work for 20,576 persons, giving to many of them temporary relief and free transportation; but most of them were employed on public work which the state had done especially for their relief. A recent newspaper note says that New Zealand now has 163 agencies where the unemployed are given government work at \$2 a day of eight hours, and that in one month 2,346 were thus relieved. The number of agencies seems large, but the other figures are doubtless correct. It is not strange that Australasia is noted for unemployment.

permanent abolition of poverty might be brought about, it seems, by a system composed of the following:

1. Local Bureaus Conducted by the City, having as main functions—(a) To assist persons, without charge, to find work with private employers. As this department, to be kept separate, would be simply an employment office, similar to those mentioned above, though more efficient perhaps in finding positions far and near, there would be no stigma upon applicants. (b) To determine accurately by investigation the degree of merit of every applicant for poor relief, and thus practically to abolish imposition, finding some suitable work, as far as practicable, for those of any capability, sending the sick to hospitals, or to relatives willing to take them, and placing the helpless in care of private or public charity, which by co-operation might soon care properly for every case. Beggars of various kinds, including organ grinders, or other street musicians who made any appeal to sympathy, could then be arrested as criminals; private giving to strangers making appeals would in time become disreputable, as encouraging law breaking; and for lack of patronage begging agents would cease trying to sell things not wanted. Appealing to sympathy of strangers would mark one as a beggar, even though something was offered for sale. One's application at the public bureau, not being known, should be counted nothing as a disgrace compared with making appeals from door to door. (c) To give the destitute, while seeking employment, board and lodging for a few days, clean and wholesome but cheap and undesirable, to be paid for in work at a wage rate so low as to attract none but the really needy, the bureau providing some variety of work to suit different grades of strength, and making the work, as far as practicable, profitable toward support of the bureau, since paying for made work of little value is about as pauperizing as sheer giving. There would need to be, as there was not in New South Wales (page 339), public common sense sufficient to overcome the clamor that would be raised against the low wages and cheap board, by workers under the socialistic delusion that a good support from the public, at their chosen work in their chosen cities, would be only their rightful dues.

2. An Industrial School in the country, for willing people for whom no work could be found, to be maintained by each

large city. The manager of this school might produce, with the labor of inmates, farm supplies for the bureau described above, as well as for market, and might teach them a few suitable trades, aiming to increase their purpose, capability, and self-respect, but paying low wages, so that the income from sale of products would cover, as far as practicable, all expenses of conducting and improving the school. The feeling among the men that they were fully paying their way, and were rising in efficiency, would be an elevating part of the discipline, and would partly neutralize the disgrace necessarily connected as a rule with inability to find and hold a position. The case would be different from that of a state university charging fees below cost. University instruction is not furnished elsewhere within reach of many whose attainment of it yields a good return to the state for its immediate loss from insufficiency of fees; but the industrial school proposed would be for those only (the fewer the better) who had failed in other and preferable ways of learning trades and getting a living, who had come to it as a last resort, and who would be assisted to leave it and find private employment.

3. A State Farm for all able-bodied applicants for aid who proved unwilling to work—for all the tramps and vagrants of the whole state, and perhaps also for some other classes of confirmed drunkards. It would be simply a reform school, aiming by kindly encouragement to give its inmates self-respect and purpose, teaching them a few suitable trades, but strictly controlling them by compulsion, and keeping them confined perhaps indeterminately, until sufficiently reformed for honest self-support. Wages at some rate might be allowed, as a reward for good behavior and for progress in reformation. As the aim in enforcing labor would be, not to punish, but to develop capacity for holding a position, the labor should be made to produce as much clear money value as practicable. For its value alone would an employer hire it; and that kind of labor alone would give the man performing it the ennobling feeling that he was paying his way, and was not riding as a dead weight on honest people already overburdened with many kinds of taxation. This salutary feeling might also be promoted by keeping an inmate's wages rather low—not higher than the net cash value of his labor to the state by the average

of a term of years in the farm's administration. The main inducement to reform, and to work well, would be the release held out to all proving worthy of it. The success of the system would be measured by the fewness of the state farm's inmates, so long as none were at large who ought to be confined. An important result of confinement at the farm would be that its inmates while there would cease breeding their kind, to plague the next generation.

Everybody Provided For. In these ways all those who were able and willing to work would be assisted in every way to find positions, and would have the work at the industrial school to fall back upon when no other was to be found. For those too weak to hold positions with private employers suitable care would be found—in public almshouses at the last resort; and there, as far as practicable, character, health, and money would be saved by having the inmates do what work they could. Lastly, those who had strength and ability to work, but were unwilling to do so, would be handled with compulsion, as enemies both to themselves and to society, and their reformation would be sought through the best available means. Those of the second and third classes, to avoid the state's compulsion, would need to get their support from relatives, and refrain from appealing to the public. When one becomes a source of public annoyance, it is the state's duty to take him in hand.

This System of Charity Would Be Unimportant in Good Times. Every city from a population of five thousand upward, might have, at least in winter, the employment and investigation bureau, in charge of its overseer of the poor, to whom beggars could always be referred. With no private giving, their number would be few. For temporary board and work, beyond the relief provided under the present poor laws, there would be no need in the smaller cities, nor in many of the larger except in winter. As the habit of private giving was lessened, and as arrest of beggars became the rule, they would cease traveling from city to city. The state farm would be desirable in the populous states. In other states tramps and local vagrants are not numerous, and might be dealt with in a hard labor punishment in jails. With the large cities, the industrial school might be small in times of business activity. In farming districts, where people stay at home, and in new regions, to which only

the capable have come, public relief of poverty is but little needed or thought of. County poorhouses would there be sufficient, if conducted according to best principles. To avoid suggesting dependence on public aid to persons who otherwise would not think of turning from self-support, all this charity machinery should be kept unobtrusive, and none of its new features established where not positively needed. Most important of all, perhaps, would be the spread of knowledge as to the evil of thoughtless giving, which for centuries has caused poverty and misery untold, and as to the necessity of so administering charity as to reduce it to the minimum. In New York City the giving of food and fuel to take home has been stopped, with no increase of suffering or of demand on societies. Instead, public money is now used for permanent benefit, such as the work of about 200 sanitary inspectors. As wise parents, by using persuasion and compulsion in proper proportion, can train children of average disposition to be practically free from troublesome faults, so the state, when voters have the knowledge and character to hold poor law administration to such parental example, and to carry out the needed reforms in taxation, etc. (page 352), can soon abolish nine-tenths of the present poverty and misery. "Pauperism is an artificial condition, engendered or maintained by institutions expressly devised for its support. The arguments for restricting out-door relief to the vanishing point are probably irrefutable." By reform of charity administration¹ alone, scientific authorities believe that the need of charity could be reduced to narrow limits.

Relief Work in Time of Calamity is necessary now and then. In the famine of 1900 the British Indian government kept six millions of people from starving, those able to work being employed in making roads, and irrigation canals. Some German cities provided relief work in 1901-2. In Chicago during the winter of 1893-94, when the financial panic had caused many industries to suspend operation, a crowd of men, the highest number being 3,760, 70 per cent foreign, and consisting chiefly of the unmarried and unskilled floating population (average age 28), were given street and park work by the city,

¹Authoritative books on this subject are those of Homer Folks and Joseph Lee (New York, Macmillan Co., 1902), and that of Thomas Mackay, London, 1901.

at ten cents per hour, paid in tickets for meals and lodging furnished at cost. There the discipline was strict, each man was given just enough days to keep him from suffering, each one having relatives was induced to go to them when he had been reclothed, and the work was promptly curtailed when the opening of spring gave opportunity to find other employment. "It's a square deal," was the general sentiment of the men, who showed better courage after working a few days. Such relief work, or special relief without work, was provided by public authority in many cities of the North, including a number of the smaller ones, and at other places by voluntary bodies with funds privately raised—\$250,000 in one movement at Pittsburgh. In nearly all cases the experience was unsatisfactory, the temporary good being followed usually by increasing dependence, and by an appalling number of applications for help. Free soup houses for the able-bodied were especially demoralizing. The actual value of the work done, on account of the wintry weather, of the inexperience of the men, and of lax discipline, was generally about a third of its cost. At Buffalo putting the pay down to seventy cents a day failed to keep away thrifty foreigners who were not in need. In other cases \$1.50 a day was paid to men whose work was worth but a small fraction of that sum. Political desire to please the laboring class, "the victims of grinding monopoly" (many of them saturated with socialism that winter by the nightly harangues of agitators), led to disregard of safe principles of charity and of business, and fanned in many minds the dangerous idea that charity or the state will provide work in dull times, and hence that one need not provide for himself by saving, and by making his work such as will bring an income anywhere. Where the regular associated charity organization was not allowed to manage the relief, the soundness of its principles was shown by the unsatisfactory results. Relief agencies antagonistic to it attracted, by indiscriminate giving, crowds of vagrants from other places. Newspapers raised funds with frantic appeals, and increased the trouble by agitation. The experience as a whole indicated how quickly, except in a small tribe ruled autocratically, giving men employment to help them, on the socialistic principle of "the right to work," would break down society—by taxing away its wealth, by paralyzing the efficiency of its

labor, by drying up its flow of supplies, and by increasing among the shiftless the number of children.¹ The total cost of special relief in 1893-94 was perhaps four or five millions of dollars. The cost in injury to character was perhaps much greater. Foreign experience with relief work has been the same as that of America. Such work in Lancashire in 1863,

¹Socialistic Poor Relief in France. The readiness of the socialists to have the state help people is shown by their loose and promiscuous out-door relief in many French towns of which their party has lately gained control. Free bread is delivered to the poor, that they may avoid the disgrace of calling for it, large sums are voted to feed school children, the poor in almshouses are given pin money, and various similar grants are made. A socialist said to Mr. Brooks in triumph: "The bourgeois spent only 50,000 francs on the poor, but we spent 150,000." But seeing the end of their tether, a socialist of some experience in public office said: "Oh, you know everybody is crazy on the subject of caring for the poor; we have all got our lesson still to learn." (Brooks, 294.) The Belgian socialists, having learned by fifteen years of success in coöperative business the necessity of rent, interest and profits, and of wages graded to value of work, are teaching thrift, and have made theirs a sensible reform party, uniting with other reforming forces to have the state fit the people for self help, and to do itself only what it clearly can do best, and abandoning hopes of changing rapidly or very largely, except in coöperation, the present system of private production and competition.

In Australia. The report for 1901 of the New South Wales employment commission indicates the effects of doing for people what they ought to do for themselves, showing that so well are the shiftless provided for that there is a weakening of the inducement to get and hold jobs. Applicants for work numbered 10,501; offers of work 16,172, accepted in 7,899 cases, rejected in 3,237, and in 5,036 cases no reply was received. Of the jobs accepted 3,175 were for less than a month, and 1,454 of them were deserted. Failure of 3,485 registrants to give further attention to their applications indicates use by beggars of registration certificates to prove that they want work when they do not. The commission's methods include a casual labor farm on the coöperative basis, public jobs let to coöperative workers, a labor refuge like the Chicago lodging house, emergency work for quick relief, and advancing of railway fare, guaranteeing store credit, and various other forms of assistance. The commission recommends a public farm for long occupancy, assisted settlement on state land under permanent lease, and a compulsory labor colony for vagrants. (*U. S. Labor Bulletin* No. 43.) During 1893-6 various attempts to set up thousands of unemployed in coöperative farming were made by Australian states, at heavy cost in money, and perhaps heavier cost in deepening the dependence of people already disposed to look to the state for a living. (See H. D. Lloyd's "Newest England.")

at the time of the cotton famine caused by the American Civil War, was well managed by the local poor authorities, as in Chicago in 1893, and results were satisfactory, useful work being done at proper cost, \$6,000,000 being spent, and pauperism being prevented with three times as many as the number thus employed. But the opposite was true of relief work in several Irish famines, and in a few English cities in 1893-94, money being paid to men who made little pretense of earning it.¹

¹G. Drage, "The Labor Problem."

Progress in Solving the Problem of the Unemployed. Full accounts of the relief work of 1893-94 were published in *American Social Science Journal*. The plan outlined in the text as to systematic provision for the unemployed is practically that of John Graham Brooks, in Pamphlet 122 of American Academy of Political Science, Philadelphia. Experience with the labor colonies of Holland and Germany has shown that to keep vagrants in them compulsion must be used, as in a reform school. A change is being made in the common practice by which city police departments, especially in winter, admit tramps for one night to a room in which they sleep without bedding, in bunks and on the floor. Such free lodging has been abolished in New York, Boston, and other cities, and a work test substituted. Before this recent change in Chicago that city was "a winter Mecca for the nation's tramps, because the mayor clung to the old sentimental idea of mendicancy, and threw the police stations open to beggars at the first chilling blasts of December." The unfortunate travelers whom overseers of the poor assist with railway tickets for a part of their journey do not include strong men wandering aimlessly, but are disabled people going to relatives.

The Chicago City Lodging House in 1901, during its first three months, received over 6,000 men, 25 to 140 per night, assisting 1,206 into employment, of whom about 70 per cent were permanently replaced in the ranks of industry. In the morning each new lodger, whose story for the detailed record card seems truthful, and who seems to have fair chances of getting work that day, is excused from working three hours on the streets; but in the superintendent's address all are warned that none whose story proves false will ever be admitted again. Those who get work leave the house, and those who work well the three hours are sent to a list of firms, who commendably aid the movement by hiring the men they need, the others being given the day to seek work themselves. A man who seems to be honestly seeking work is given four nights of lodging, with supper and breakfast of coffee and bread, for which he pays with the three hours of labor. Then he is not admitted again until a month has passed. Men are not permitted to lounge at the house during the day; they are then supposed to be seeking work. The house contains 225 single beds, with good bath facilities, which the men are required to use. Those refusing to work are arrested for vagrancy, ability to work being passed upon by a physician. The sick or

crippled are put in touch with charitable agencies. The Philadelphia authorities opened in 1901 a fine lodging house of this kind that was built by a philanthropist. It includes a small dormitory for women.

The American Authority on the Subject of Tramps, Prof. J. J. McCook of Hartford, estimated in 1899 (*Independent*, March 13, 1902), that the tramps in the United States then numbered 56,000. His estimate was based upon the daily averages at the police lodging houses of Massachusetts. He has personally studied the careers of 1,349 tramps. Since 1870 tramps have increased nearly four times faster than the population. There was a great increase of tramps during the two depressions beginning in 1873 and 1893, but only a small decrease when good times returned in 1879 and 1898. Men acquire the tramping habit and prefer it to working. As is well known, many a tramp is a bright man, and a superior worker for a short time. Because the tramp is "almost never married, and almost always a drunkard," he is the first man discharged when business slackens. For each of the 56,000 the annual cost to the people, for arrests and maintenance, is not less than \$200. Many of the tramps are active centres of disease and crime. Prof. McCook recommends stopping the tramp nuisance (1) by interfering with their becoming drunkards; (2) by encouraging or compelling thrift; (3) by breaking up train jumping; (4) by stopping indiscriminate charity; (5) by applying scientific principles to their reformation. They should be both punished and made better, the institutional treatment most likely to cure being also most likely to punish. Of course, to such treatment they strenuously object. Reformatories seem to be effective with about three-fourths of ordinary felons. Because not stopped by law, tramping is increasing also in England.

In the **Massachusetts Report of 1895 on the Unemployed**, based on thorough investigation, the commission recommended provision of food and lodging by overseers of the poor in every town for wayfarers, with a demand for work as payment, refusal to work to be *prima facie* evidence of tramping, for which easier conviction was asked. The commission also recommended that the overseer be punished for failure to demand work of the wayfarer; that persons riding on freight trains without permit be punished as tramps; that a state institution be established for reforming vagrants under thirty years of age; that in letting contracts care be taken to prevent introduction of large gangs of non-resident workers, especially aliens, unless there be clear proof of a lack of home labor at a fair market price. Other recommendations were for free employment offices, industrial education, restriction of immigration, fewer hours of work, and removal from city to country. The commission believed that not over one in ten of those applying for relief in ordinary times is deserving, and that the other nine will not face a work test. The report is regarded as a masterly work, and the conclusions as sound.

Before the Industrial Commission in 1901 (Vol. XIV.) R. A. Woods, a Boston authority on slum settlements, said tramping can be abolished—that tramps go round the many Massachusetts towns that followed the rec-

ommendation of 1895 as to a work test. Prof. Commons said the state farm, etc., described above, had practically abolished begging in parts of Germany; that unionism's minimum wage, and opposition to working for less by those unable to earn it (page 391), increases the problem of unemployment; that the Seattle employment office's success was under an unsalaried committee of business men, in touch with employers, and that it had no political appointees selected to please the labor or some other class of voters; that over a large district in New York the interest aroused by Cornell's scientific farming (page 318) kept people contented on farms during the late hard times. For officials to plan ahead, having little public work done in good times and much in bad (recommended in testimony by W. F. Willoughby and in books by Prof. Ely), would greatly relieve unemployment, and secure public gain from low prices; but under the present socialist and unionist demand for public favor to workers, and under the political subservience to them, such a policy in public work would doubtless increase dependence and misery, as would the provision (urged in the Massachusetts legislature in 1902 and again in 1903) of a fund in cities for public work in hard times, and of extra work then on roads. Forbidding public contractors to hire non-residents unless necessary would also prevent harmful moving (New York canal contractors left their Italians on local charity), but greater honesty in officials would be needed to avoid monopoly favor of home workers.

The Part to be Played by Trade Unions. In Prof. J. B. Clark's prophecy for the twentieth century (*Atlantic*, Jan. 1902), he predicts that the public industrial school, described above, will solve the problem of the unemployed. The cause for a contest with labor unions over such industrial schools—a contest expected by Mr. Brooks and Prof. Clark—will, it is to be hoped, disappear by reason of the growth of fairness and common sense among workingmen. Their contention in this matter, as shown in the chapter on prison labor, is an utter delusion. Moreover, the problem of the unemployed, which in recent years was largely caused by spread of a socialistic demand for and hope of help from the public, may in many places be disposed of without the industrial schools by choosing the more level-headed labor unionists for official positions among the poor authorities. Such a selection, recommended by Mr. Brooks, is being made to some extent. It brings the political power of the working class to the support of sound methods, in weeding out the unworthy, and in reducing help to the minimum. It democratically gives the poor a part in the charity of the public in which as voters they are a power, and removes their excusable hostility toward being helped as inferiors and failures by an upper class choosing self-righteously to look down on them in pity. Labor leaders, learning by experience as poor law officials that only by each man's looking out for himself can civilization exist, will hold in abeyance the socialistic delusions that are always coming to the surface in unionism, and which will ever continue to occur in the untrained thinking of the wage worker. Displacing error with sound knowledge in the minds of labor leaders, and granting in law

and opinion the proper demands of trade unions, will go far toward solving the problem of the unemployed in the effectual way of self-reliance and thrift.

But in England the State Must Do Much More. For rescuing the slum people in America, in view of cheapness of food and land, with the ease of finding work, it seems wisest for the state to depend as at present on self-help, developed under school, health, and factory laws, and not to do much in carrying people out to state farm colonies. In England, however, hundreds of thousands, from partial starvation and idleness, are too weak in body, mind, and habit to escape from their misery, into which many of them were born; and besides, for most of them, though they were stronger, access to land or to better work would be lacking. The change from tillage to pasturage, with other causes, moves men from country to city until a great horde is barely kept alive with casual jobs. For these self-help is not to be thought of, and for their rescue philanthropy is feeble. Only the state (locally and nationally) is sufficient, and its means must consist mainly of getting the poor on to land. In General Booth's plan there are large possibilities—from the lowest class of waste humanity his Salvation Army, at its farm colony in England, raises two out of three to permanent self-support. (*Westminster Review*, April, 1903). Apparently the British public is neglectful of its duty in delaying to do something effectual for the submerged tenth. To get their poor from the slums to the country is now the main effort of charity among New York Jews. Some of their farm colonies in South Jersey, formed of the poorest and weakest Jews from Russia, have attained success (page 33). (See Commander Booth Tucker's account of Salvation Army colonies, *U. S. Labor Bulletin*, Sept. 1903.)

Since the above was written the British government, in Sept. 1903, with hearty approval by the public, has appointed a commission to inquire into the alleged deterioration of the lower classes. In Parliament it was said that 60,000 children in London schools are physically unfit for instruction; that one out of every three men applying as recruits for the army had to be rejected; and that the nation's military and industrial future is seriously threatened.

Increase of Pauperism. Dr. Washington Gladden, in his valuable little book of 1902, "Social Salvation," says that in America since 1865, mainly because of impulsive giving and of increase of charitable institutions (we may ask, Is not the pension system chief among these?)—dependents have increased much faster than the population, with fearful loss of manhood and with pauperization of multitudes. From careless giving alone the amount of injury is appalling. To Dr. Gladden's city many self-supporters have been drawn from the country by a public relief given without investigation and largely from political motives. But scientific charity has made marked progress. In a number of the larger cities out-door relief from the city has been abolished, and with a decrease at some places of the number in almshouses. Organized charity has had encouraging success in sending out unpaid friendly visitors to awaken hope and courage.

CHAPTER XXIII.

LOW WAGES AND VICE.

An Oft-Repeated Assertion of the Socialists, who are followed in this idea by many trade unionists, is that low wages, and the general hardness of life under the self-direction of the present competitive system, are the all-inclusive cause of vice and crime. This effort to throw all the blame on society, and to relieve the worker from responsibility for his own acts, is in harmony with the socialistic doctrine that the state should provide every person with work and a fair living, not holding his reward closely to the value of his product. Though far less unsound than the latter doctrine, this view of low wages as a cause is untrue in the main. Rocky Mountain mining camps, especially while new, are noted on the one hand for the highest wages in the world, and on the other hand for drinking, gambling, shooting, and licentiousness. Canadian farming hamlets, on the contrary, and small villages in different parts of Europe, have very low wages, yet are noted for the moral and law-abiding character of their people. In these cases the high wages are partly the cause of bad morals, attracting bad people, whose badness arose in no way from low wages in the past, and affording bad character means of gratification; while the low wages are partly the cause of good morals, leading the people to live frugal and contented lives, and placing many temptations beyond their reach.

Which Comes First—the Low Wages or the Vice? Bad people in the slums who were born there grew up in vice before they had wages. The drifting of their parents into the slums, in the case of European immigrants, was generally due to low wages and consequent need of low rents, but these low wages in turn were due to inability to earn more, or to ignorance of better means of living. Some of the native parents in the slums drifted into them for the same reasons. Their ineffi-

ciency and ignorance were both deepened as a rule by their previous low wages, but generally, at any place in the chain of causes, the inefficiency was rather the cause of the low wages than vice versa. Inefficiency lowers wages quickly and surely, while low wages lessen efficiency slowly and somewhat uncertainly. Many parents were drawn into the slums by habits of vice acquired while living elsewhere. Falling into this vice was mainly due in some cases to the discouragement of low wages as a first cause, but these cases were probably very few. Hope and energy to escape from low wages, by getting a better position or moving away, are active in the strong character while yet free from bad habits. The dull character is not troubled by low wages, being contented with little. The weak character, who wants much he is unwilling to work for patiently, is the one who drinks, gambles or embezzles because his wages are low. He, however, is not found among the poor, but in the salaried classes, up to those whose income is large.

Temptation as the Cause. And with him the ruin is usually caused by the presence of attractive temptation. Away from it his wants would be fewer and more controllable. While a long work day, exhausting the body, and low wages, weakening hope for better things, do undoubtedly cause much drinking, and much relaxation of effort to do right, it is probably true that only a small proportion of the total drunkenness and crime in America was caused from the start, or was materially promoted, by low wages.¹ In country places the slum people would be happy with low wages if they had never known the city. Food and rent are cheaper in the country, but under wages lower in perhaps not less than the same proportion. Dealings with one another are slower and less strict than in the city, but this is largely because bad character is not present to require strictness, and the advantages of easy dealing are well balanced by its effect to lessen wages, and the values received in general

¹A larger proportion was due to prolonged idleness in time of depression. By a careful investigation in 76 towns of Connecticut Prof. McCook found that 71 per cent of the paupers were made paupers by drunkenness, and that it was the cause of 65 per cent of the pauper expense, but that the idea of poverty as the cause and drink as the effect was there hardly worthy of a thought, less than half a dozen cases of inebriety being thus caused. (*Social Science Journal*, 1894.)

exchange. In fact, it is by the easy dealing that much of the country people's unreliability in paying and working is caused. Their contentment and good morals, therefore, must be chiefly due to the absence of temptation, both from themselves and from their fathers. Starting saloons and dance halls would bring drunkenness and crime to the country too—to the most moral community that ever existed, whose people had not been educated in taste and principle to a level above the force of such temptation. Fortunately, in moral communities of plain people, there is usually a public sentiment that keeps saloons away.

For the Temptation Who is Responsible? But the prevalence of drunkenness among Russian peasants, and the presence of so many drinking places, are probably due mainly to special appetite arising from their extreme poverty and ignorance, which are dragging them lower and making them desperate. Drinking, their only pleasure, drowns their misery for a time. The public duty there is to lighten their taxation, and to educate and encourage them to better things. With them the evil was mainly caused by society's apparently willful oppression, in onerous taxation, and in stern repression of aspirations for the liberty enjoyed in other countries. The blame deserved by the ruling class in Russia depends upon how far they ought to have known and followed better policies, and how far they have shut their eyes to the example of other lands and have clung unscrupulously to their privileges.

As to the Misery in American Slums, which similarly drags people lower—the bad air, bad food, and overcrowding that make morality almost impossible—society is responsible, not by any form of oppression or of withholding (or to only a slight extent at most, in men's freedom and ability here to move after better wages), but in failure to bring about more promptly many things that admittedly ought to be done for improving the conditions of life among those who need to be lifted up. These things include the reforms previously outlined (page 352), besides better laws for control of tenements and factories, for sanitation and education, and for diminishing the number of saloons and bawdy houses. In these ways knowledge and efficiency may be increased, wages raised, taxes and prices lowered, and morality promoted. For the delay in bringing about

the reforms the blame is shared by all classes. The slum people themselves are to blame, for their voting almost solidly for the boss, who favors or bribes them with drinks and jobs, and various kindnesses, but whose corruption is the chief cause of their loss from poor schools, bad housing, etc. They give him his power, and he in turn gives them their misery, deepening and spreading the bad conditions of which they as socialists complain. The trade unionists are to blame, for their readiness to tax the public for class benefit (page 545), which fault of theirs is perhaps the main cause of the rightful delay in establishing public ownership of municipal monopolies. The middle class are to blame, for their blind following of party, without effort to know the truth and to exert influence for the public good. The leading captains of industry are to blame, who, with the energy by which they secure unfair gains through monopoly, could bring about quickly most of the needed reforms, and who probably *would* do so if the people in general were more ready to properly honor and reward public spirit, and less ready, in their own indolence or dishonesty, to be deceived and cheated. Many of these employers are also to blame for lowering the morals of their workers by treating them with unfair harshness. By the opposite policy, supplying healthy dwellings at low rent, and encouraging his workers in many ways, Robert Owen made his mill a great success, and changed New Lanark from a place of squalor and crime into a happy and moral community.

For Not Using Better the Light it Has, one class seems to be as much in fault as another. To the much that is given to the rich and intelligent their performance of duty as a class reaches a proportion fully as high, no doubt, as that between the receiving and performing of the poor. For every class the most fruitful line of effort, it seems, lies in striving to look through short-sighted self-interest to the good of the public, one's self included, and in such thinking and voting as will lead masterful men to devote themselves to its promotion. They will do this, and will rapidly raise government and business toward perfection, when those in every class who form prevailing public opinion turn away, each for himself, from the present heedless self-seeking—and from the present suspicion or contempt for the public spirited—to recognize as the most desirable

success, not the attainment of wealth and power for one's self, regardless of others, but the rendering of valuable services to society. The public evils complained of are exactly what the people make them, or permit them to become. Each man is to blame for them so far as they are continued by his failure to do his best to conform his thinking and voting to the right. The individual mind is the fountain of public control. Only so far as men get pure themselves can there be purity in politics and industry. With the whole heart must purity be sought, but in the attainment of it there is great reward.¹

The First Cause of All Vice Everywhere, therefore, is the evil born in the nature of people. At least a little sinfulness is doubtless to be observed in everyone. This truth parents and school teachers have no need to learn from theology.² By changed heredity less of evil is received with birth when one generation after another improves its character. The evil tendency of one's nature is effectively overcome by many under the power of religion, and by some apart from religion through exercise of will, assisted usually by a change of influences. That which arouses inborn evil tendencies is temptation. Education and culture will lift one above the temptations of one grade of life, but into the temptations of another grade. Settled habits of morality, through which few temptations penetrate, may be formed in one grade of culture about as well as in another. The standard of morality may be high where wages are low if the people's support is sufficient to maintain strength, and if the

¹"I believe that ignorance and suffering might be lessened to an incalculable extent, and that many an Eden, beauteous in flowers and rich in fruits, might be raised up in the waste wilderness which spreads before us. But no class can do that. The class which has hitherto ruled in Great Britain has failed miserably. It revels in power and wealth, while at its feet, a terrible peril for its future, lies the multitude which it has neglected. If a class has failed, let us try the nation. That is our faith, that is our purpose, that is our cry—let us try the nation." (John Bright.) But with all the classes composing the nation, as with the higher class ruling alone, there must be a readiness to deny self and do the right.

²Mr. F. H. Wines, perhaps the foremost American criminologist, concludes that the root of crime is in character, not in circumstance. This accords with the words of Christ, "Out of the heart proceed evil thoughts, murders," and with the fact that many in a bad environment do well while many in a good environment do ill.

prevalent spirit includes industry, frugality, contentment and morality. Idleness is the greatest breeder of vice and crime, whether the living be scanty or liberal, the mind crude or cultured. Hence, in times of depression, when many are unemployed, vice and crime increase, another reason for crime being the pressure of hunger and cold. The amount of crime is largest when in addition to idleness and want the restraining ties of home are broken, and hope gives way to despair. This was the case when several centuries ago England was filled with vagrants by confiscation of church lands and the scattering of their occupants. Thieving among colored people in the South springs from the habits and moral standards developed in slavery, and made worse by present idleness and lack of worthy ambition. The relation of idleness to crime is indicated by the proportion of convicts (above three-fourths usually) who were brought up to no regular trade or occupation.¹ Many of the worst criminals, however, including the sharpest and most dangerous in crimes against property, were born with an almost conscienceless disposition toward criminality, which is likely to lead into crime without other favoring conditions. The very poor lack the intelligence and opportunity to commit such crimes as forging, and they lack the energy required for robbery or burglary, or even for stealing above the grade of petit larceny. And in America they are at least no more given to drunkenness than are several of the grades next above them in wages, while in freedom from gambling, and in devotion to family ties, they are probably better than the middle and upper classes.

Low Wages as the Ruin of Working Girls. No doubt some American working girls sell their virtue because their wages, supposed by them at first to be sufficient, prove too low to live

¹The proportion is about the same with paupers. Of 1759 inmates of Elmira Reformatory only 19 per cent had done mechanical work. One Philadelphia prison record showed that only a little over 5 per cent had learned a trade. Mr. F. H. Wines' report for 1890 showed that of the 6,958 men who had committed homicide in this country those said to have no trade were 74 per cent. As to the effects of idleness, the commitments from New York city to Blackwell's Island jail, for vagrancy and intoxication, were in January, 1900, but half the number in the same month of the dull year 1896. Irregular work caused much of the demoralization of hard coal miners.

upon in reasonable comfort. But it is probable that a much larger number of them agree or continue to work for too low wages because an additional income from selling their virtue is already obtained or expected. It was thus that wages were brought below a living rate by the ease of securing an allowance under the old poor law in England, and that wages are now lowered by tips. Most of those factory and office girls who fall from virtue are led by exceptional susceptibility to temptation, and perhaps most of these belong in the brighter class of minds that by effort can usually earn a fair support. When avoidable, a girl should never make an attempt to live on insufficient wages, and when forced to them should escape quickly before being exposed too long to temptation. In a strange city any girl can get from the Young Women's Christian Association the advice and assistance that will enable her to obtain a safe living. Girls who have learned to work well come rarely to a condition of pressing need. The home community is the place for all girls who are not fully able to take care of themselves. Those whose ability is not clear should never go to a strange city to work unless they have friends there to assist them. Though Professor Smart seems to think that the pitiful ten-shilling pay of working girls in many British industries has a sad relation to falls from virtue into the oldest trade in the world, and though Professor Schäffle said "The rate of prostitution in London rises and falls with the price of bread," it would seem that amid the helpful influences of the home town, with the ready openings into domestic service, girls lacking in decision of character might even at ten-shilling pay retain their virtue there. But public opinion should not rest until, by the methods previously outlined (pages 483, 511) the wages of British girls were raised to a self-supporting level; nor should it rest anywhere until servants were protected against temptation, by increasing their reserve of self-respect, and by holding responsible the families they serve.¹

¹By one inquiry in America 47 per cent of a number of prostitutes had been servants. (*American Journal Sociology*, March, 1903, p. 705.) R. A. Woods, social settlement worker in Boston, said to the Industrial Commission (Vol. XIV.) that instances of women driven to sin by want are comparatively rare, but that those with low pay, in the bad surroundings of city life, are subject to specially great temptation.

Dullness Rather Than Vice. Low pay in England before the time of rapid working machinery made people slow and dull, as it does now in backward communities, but not criminal, or specially wicked, where steady industry was the rule, and temptation not prevalent. The gross drunkenness—in some trades habitual for one or two days each week—which toward the end of the eighteenth century led some observers to regard leisure and surplus income as sources of ruin to wage workers,¹ seems to have been confined to the higher paid skilled men. Higher wages coming in a later period to the poorly paid were first spent by many in drunkenness and in increase of numbers, before these had begun a hopeful effort to raise their standard of living.² It is a habit of shiftless work that makes many of

¹Petty and Temple, both writing about the year 1675, upheld the need for long work days, and for a high tax on consumption to raise prices of food, in order that people might be forced to work, and be kept from laziness and idleness. Probably this doctrine was true as to low character workers of that day. Fisher Ames gave this as a reason for the American protective tariff of 1790. Brassey, the noted contractor, found that in England high pay so increased efficiency as to lower cost of labor, but that it made the ambitionless people of India do less than with low pay. It was this inability to overcome indolence, and to foresee and provide for the future, that has always led American Indians, like savages in general, to suffer and starve in winter, and that now leads Filipinos and South African natives to refuse to work at any price, giving rise to the present demand of employers for Chinese, and to their temptation everywhere to use some force in controlling uncivilized natives. Because of this aversion to labor, slavery, despite its horrors, is regarded as having been necessary as an early step toward civilization, which, even in a period lasting to the present, it will largely result in bringing to the black race of Africa.

²**Poverty as a Spur Toward Achievement.** The ex-governor of New York who, in a Lincoln day address in 1903, represented life in a small hut, under deep poverty, with "every working hour filled with struggle," as advantageous for development of character, must have been over-impressed with the tendency of wealth to turn the young to luxury. By nature some hardness in conditions of life is necessary to effort, but the less of such stimulus people train themselves to require, the less energy they spend in surmounting obstructions, and the more they have left for positive achievement. Perhaps the progress of the Hollanders might have been still greater if, in a more fertile land as well located, they had been led more by opportunity and pushed less by necessity. Nobleness of aim and tenacity of purpose have doubtless been stifled in as many young men by the difficulties of poverty as by the pleasures of wealth. Fortunately,

the Southern blacks poor, giving them small crops, or irregular wages, and leading not a few to steal; though these bad effects of such work make them less able to rise above it. For reasons not due to their own fault, especially the effect of slavery to repress self-reliance and ambition, their desire for better things is not accompanied by the necessary foresight and industry. Crime and vice are far less common among the ignorant but patient-working blacks of the old type than among others knowing more and having more desires. Education gives a person power, but often fails to improve his morals, especially when he is not working regularly and contentedly. He is then more dangerous than while he was ignorant. The Canadian farming communities that are unsurpassed in the world for

By Valuing Qualities Rightly—frowning on idle luxury and commending worthy industry—society can largely abolish the need for hardness of conditions, substituting as a developer of character the hardness in ambitious effort. Mr. Lincoln's life was highly honorable to him, but to retain the adverse conditions under which he struggled would now be discreditable to society. Under the highest attainable average of well-being, which the socialists rightly demand, we may have as the type Mr. Gladstone or Mr. Roosevelt, born wealthy but entering upon achievement at once on reaching manhood—not wasting energy over difficulties, but using all advantages of opportunity. In old and crowded England many persons of talent, Prof. Marshall thinks, are kept down by lack of opportunity to reach the higher work they are fitted for. But there are not many such, it seems, under America's freedom from custom or caste, and her changeeful, progressive life. Here the circumstances must be bad indeed to keep the boy who excels in school from likewise getting ahead afterward, though of course better opportunities would greatly raise the average of attainment. Yet even though wealth be diffused among all, Prof. Gunton seems to go too far in his idea that character, freedom, justice, and all things making for human welfare, increase *in proportion* to the people's consumption. The Scotch, the Hollanders, and the New Englanders have led the world in desirable achievement, but have stinted consumption closely. As consumption increases, and life grows easier, ideals and traits tend toward those which ruined Rome, which now appear under high living anywhere, and which in character and achievement place pleasant lands like Spain and Italy so far below harsh regions like Germany and Britain. It seems more nearly correct to say that human welfare increases, not in proportion as a people consume wealth, but as they acquire and keep it, denying themselves the pleasures of luxury, and finding their enjoyment in turning their wealth into the material capital of best equipment for producing and living, and into the mental capital of highest intelligence, wisdom, and morality.

good morals have a fair average of common education, but not the keenness of mind that prevails in wicked cities.

The Kind of Education Needed. It is desirable to have every person educated,¹ but not so as to turn him from that work which nature has made it best for him to do. The education ought to cause him to do his work better, and more contentedly also, if the work suits his capacity, or is leading on to what does suit, and ought not to cause dissatisfaction with any drudgery it does not fit one to escape otherwise than by self-adjustment. Denmark and Norway are noted for industry, contentment, and common sense, yet in Denmark only one person in a hundred of reading age cannot read and write. The new industrial education is teaching the Southern blacks to do the practical farming, laboring, and common mechanical work that are ready for them. Such work not only improves their living and increases their property, but occupies and contents their minds, shutting out temptation to indulge in idleness, licentiousness, and crime. As a rule education, to be good, must be good for something pretty close at hand. It is well for the most lowly to scale the heights of knowledge and culture, but not until they have performed the practical duties so near and clear as to demand first attention, such duties as earning or paying for the living they get.²

¹One-sixth of the crime in the United States is committed by persons wholly illiterate, and another sixth by persons practically illiterate. (C. R. Henderson, "Delinquent Classes," 1893.) No doubt in these cases illiteracy is a reason for not having developed a conscience or a wisdom that restrains from crime, and a reason for not having honest means of support. It is a cause of prostitution, as is servile work, precluding self-respect.

²**A Wrong Idea of Freedom and of Education** harmed the Southern Negroes. Not a few of even the more capable failed to realize that their new condition of freedom meant work as before, only harder in effort and more risky in results. Their first teachers, in the home missionary movement from the North, came with noble intentions, and endured much self-sacrifice, but were too much imbued with the old idea of education as literary and as conventionally elevating, rather than as industrial and immediately useful in getting a living. The results were good in training up colored teachers and preachers, but were otherwise in turning many away from the common work in which they could best have served themselves and society. During the first fifteen years after the war, in the Shenandoah Valley in Virginia, there were many excellent farm hands among the colored men brought up in slavery. Perhaps the new hope inspired by

Education Will Not Take the Place of Religion, which is a deeply planted necessity of human nature. By no probable progress can many people ever be expected to reach John Tyndall's independent sufficiency of intellect; yet as he advanced in years, and observed the feebleness of man's attainments in knowledge when compared with the infinities of the universe, he relaxed his attitude of doubt toward Christianity. Profound thinkers like him are reverential before the deep things of God. Very few except men of shallow or unbalanced mind regard them long with self-sufficiency. So long as men stand helpless before calamity and death, as apparently they are to stand always, they will realize a need for religion, and through it they will feel after God if haply they may find him. Moreover, under the vital connection of religion with the moral and hopeful seriousness necessary to the good and successful

freedom strengthened their industry. But in late years there few colored people are hired on farms. They have nearly all drifted in the towns and cities, where many of them by choice do not work regularly enough for their own and the public good. Those who grew up after the war learned, as a rule, to dislike farm work, and proved unreliable in the country. Many of them now do well in the city, the railway, and the iron furnace occupations that are open to colored men. A good account of the rise of the many industrial schools for colored people in the South, such as Hampton, and of the change in Negro education, is given in *Review of Reviews*, Sept. 1900.

Education and Wealth Production. In his testimony before the Industrial Commission (Vol. XV.) a college president showed that the per capita product of wealth in the different states varies in the same proportion with the average number of years of schooling the youth of the state receive, and concluded that the reason those states giving most education produce most wealth is that their workers are most intelligent. He seemed to overlook the product of the enormous capital in machinery of such states as Massachusetts, and to overlook the operation of machinery by ignorant foreign labor. Germany had thorough education in free schools long before England, but by reason of wars, together with lack of enterprise and hence of capital, Germany, until lately, was far behind England in wealth production. Of course, properly balanced education adds largely to working and managing efficiency, and hence to product and capital, and then the latter, by taxation, support education as they did at first by giving time from the struggle for food. Wise education makes enterprise, and enterprise, however awakened, gives thirst for the knowledge it needs in its plans. The first essential for rise in well-being is desire for it, with purpose or ambition to attain it. These, by education, the state should do all it can to awaken and direct.

life, a nation turns away from religion at its peril. "The greatest sophism is the belief that our land is safe so long as we teach our children to read, write, and figure. What is needed is development of conscience. Conscience creates good men, and good men save the state. . . . Science and philosophy are taking the place of religion. . . . To-day moral degeneration threatens our foundations."¹

¹Archbishop Ireland, 1901.

Attempts to Discard Nature's Plans Lead Into Deep Water, as the socialists have learned from their desperate denial of all principles standing in their way. Their effort to rule out religion, because Christianity teaches love and duty between classes, instead of the bitter hatred by which socialism hoped to bring about its revolution, was as unscientific as their effort to rule out objectionable laws of economics, such as the law that without injury to society workers cannot be paid more than they earn. Not assertions so pitifully futile as that of Marx when he said, "The idea of God must be destroyed, it is the keystone of a perverted civilization,"—could the psalmist have had in mind when he wrote, "He that sitteth in the heavens shall laugh." To hope to rule out God from human thought and emotion is to imagine a vain thing indeed. On the same level with rejection of religion was the doctrine that in the socialistic state there must be no separate families, because in marriage there would be inequality in possession of desirable wives, and because members of a family would work for one another instead of for the people as a whole. Here there was a desire to go back beyond the barbarous tribe to the lowest stage of the human herd. Without the family, the mainstay of character, there could not be sufficient justice and morality for a better condition than the herd's savagery.

Edward Bellamy, despite proof to the contrary in the failure of scores of communistic societies (page 93), portrayed a future socialism in which industry and prudence were to be universal, together with justice enforced by little else than one's own desire to do right. He might almost as well have continued his imaginary transformation of earth into heaven by having his people live without work from the spontaneous product of trees yielding each month twelve kinds of fruit. Even for dividing the product—easy enough under the hand-to-mouth living of the savage tribe—nothing better could be proposed for a civilized socialism forbidding private production for exchange (and hence having no measure of value in money), than the issue of goods from the public store according to each man's working time. To prevent some from getting rich while others became poor, the state would have to regulate the simplest exchange, as the parent must first approve the little boy's trading of his knife. However, these fantastic ideas, long propagated by the ablest socialists in Europe, have been mainly given up during the last five years, since socialistic parties there, by

gaining some power in government, have passed from dream theory to actual practice. Belgian socialists, in their coöperative enterprises, have even learned the unsoundness of their opposition to piece work, and of their demand for a guaranteed minimum wage. Considerate coöperation by other parties with socialism, in its proper demands for factory laws, etc., is making it a useful force in Europe. (Brooks, "The Social Unrest.")

CHAPTER XXIV.

TRADE UNIONISM AND THE CHURCH.

There is Respect of Persons With Men, as everyone knows too well. It cannot be expected that people will ordinarily care for one simply because he is a man, and equal to a king in certain rights before God. Men are so dealt with now, without regard to their social station, when in danger of fire or flood; and at all times by those churches and missionary societies which seek the lowest in the city slums, among the Southern blacks, and from the poorest caste in heathen lands. In the courts of law, too, and in the courts of public opinion, despite all the complaint to the contrary, any person, however poor, who earnestly strives to do the best he knows, taking duty as his own and not trying to shove it all off on to others, seldom fails to receive a measure of justice and considerateness that is creditable to society in the present imperfection of its knowledge. The tendency is to be too considerate, and to withhold from the guilty the punishment required by nature for society's protection.

Desire to Get Benefit, Not to Give It, Will Prevail. But in the ordinary affairs of life it is inevitable that a person shall be sought after and regarded according to the money he spends—to the benefit he can confer on others with his patronage, his vote, or his social favor. Could he ask more? Otherwise the regard from people would be to help him, without a return from him to them. So to regard him would be commendable in them, showing a Christian spirit, but he would be wrong in demanding it. The Christian spirit of kindly helpfulness is a duty on him as much as on them. If one is too poor in money, influence, or simple kindness, to help others like himself or more needy, he ought at least to try to leave for them such help as he himself might obtain. The spirit of demand is allowable only when one's need arises chiefly from the willful fault of

others. Whatever the wrongs in society, cases are rare with adults, in America at least, in which the person's own fault (in not making the slight effort that gives power to do better), or the fault of his parents, was not the main cause of his need, and in which individuals would not be difficult to find whose fault was sufficient to justify a demand of them.

Even With the Church, It is Unavoidable and Right to Value More Than Others a member who can help the cause more with money, influence, or personal work. It is on these things that the church exists. It must care for them if it cares for its own work and its own life. Getting them comes before giving them. But the church is striving earnestly to get rid of the spirit of caste. Unlike fraternal orders, with which it is unfavorably compared, the church welcomes all grades of people, not having the black-ball method of restricting membership to the socially desirable. Despite the over-readiness to resent the church's effort in "missions," very few religious workers take among the poor the attitude of "You are bad and I am good," but on the contrary nearly all take unaffectedly the attitude of "You as well as I have a right to and are needed by the church, and have as good a right to consideration from it and from society." As to the reiterated claim that the church is unfriendly toward organized labor, expressing a feeling derived perhaps from the hostility toward the church openly avowed by some branches of socialism—reliance for reply need not be placed on the fact that very few local church bodies in America, even those among poor people, could exist without the work and pecuniary support of employers and others not in active sympathy with unionism, nor on the fact that no society will ever take in a controversy a side contrary to that of its controlling membership, who may be as sincere in their opinions as those on the other side. Not only in order to exist at all must the church refrain from endorsing unionism, but it must refrain in order to remain Christian. Whatever unselfishness there may be in unionism's usual readiness to admit all to its fold, its spirit and method in dealing with those coming in its way, who may be and often are no less sincere than its own men, are not only contrary to settled principles of civilized law in violence and boycotting, but are widely at variance with the teachings of Christ. Christianity condemns, not

throwing off oppression by force, in revolution, but attempting to do so before peaceable and better means have been exhausted. Especially must Christianity, as well as patriotism and common sense, condemn indulging in force that is actuated by a spirit too bitter to be justified, that is evidently destined to retard the movement for which it is exerted, and that by defying authorities and usurping state functions amounts to anarchy. Moreover, Christianity, unlike socialism, teaches repentance of one's own sin as the foundation of a better society—that each should first acknowledge and strive to overcome fault in himself, and be somewhat slow to charge fault on others; but it does not teach that the grace of patience under oppression should interfere with its removal where practicable. And in unionism's clear lack of harmony with Christianity it is unlikely that churches or church people have taken toward unionism an attitude approaching in hostility that of unionism toward the church.¹

¹"Resolved, that the convention desires herewith to state for the enlightenment of those over-zealous, bigoted misrepresentatives of a large membership of the church, that organized labor, as operated and controlled by the different unions of America, is to-day working for the good of humanity, not only of its membership, but also of those who are not organized, more than all the religious denominations of America." (Convention of a Rocky Mountain state federation of labor, 1901.) Perhaps it would only be in the often radical and socialistic federation or trades council, whose object is to promote general unionism politically and otherwise, that such a resolution would be considered. In the unions of separate trades a usual rule forbids discussion of religion or party politics.

"Whatever one may think of the wisdom of the labor men, and whatever defects their private life may hold, the modern world shows no persons more actuated by a love of humanity, rising to a religious ardor, more heroic in unflinching idealism, than certain in their ranks." (Vida D. Scudder, *Atlantic Monthly*, May, 1902.)

"It is paradoxical that teachers and moralists should object to this action, since any personal renunciation for the good of the whole is socially, that is morally, advantageous. Especially in a sympathetic strike this subordination of self to society is often shown in heroic proportions. . . . 'I am my brother's keeper' is a maxim adopted more thoroughly by the trade unions than by the churches. . . . A blackleg is the meanest creature in the trade union inferno because he is guilty of anti-social behavior." (John Martin, *Int. Jour. Ethics*, July, 1902.)

"The chivalry, the moral heroism, the statesmanlike altruism of a sympathetic strike is as yet too high for the merely professional moralist to appreciate. . . . Is not such a strike the most notable product of that sense of solidarity or brotherhood which it is the aim of all systems of morality to develop?" (H. N. Casson, "Organized Self-Help.")

"The trade unions have done more to improve the material and moral

Unionism's Unselfishness. The paradoxical element in the quotations below is not the objection of moralists to unionism, but the making by capable writers of assertions so untenable. The unselfishness of unionism is not of a high order. The desire to extend the union's benefits to others is not chosen for their sake, but is forced on the union by the necessity of thus inducing others to refuse to work for less than the union rate. When help in return is no longer needed from outsiders, the tendency of the union is to exclude them, that those already in its fold may enjoy a monopoly (pages 302, 391). For one union's aid to another, by money contribution or sympathetic strike, a return of the same kind is impliedly promised; and though such aid is ordinarily rendered for the general cause, without keeping accounts for future collection, each member, for his sympathetic giving or striking, is expected to be fully repaid by its effect to strengthen unionism as a whole, and hence to aid later in gaining demands that benefit him directly. Moreover, securing an increase of pay in one city enables the men of the same trade to secure it in other cities, and similarly benefits workers in trades related. If a strong national union is so essential to their permanent welfare as unionists claim, it was only self-interest that led the York glass workers to consent to the lowering of their local rate to a scale that could not be made so high for the whole of England. The same may be said of the action of northern Illinois coal miners, who assisted those in the richer mines of southern Illinois to get a rate of pay higher than their own.

Present Sacrifice in Brotherhood, for a gain so near and clear as in these cases, involves morality, but of a low order. One of the great changes for the better in the church was its giving up of the practice of getting and holding people with sword and rack, many of whom, in not wanting to be kept as brothers, were more intelligent and conscientious than itself. Personal renunciation is fanatical, not heroic, when it rushes ahead recklessly in policies that are plainly wrong. The sympathetic strike, now condemned by many of the ablest labor leaders, can be carried to but a slight extent until it drops from

and social well-being of the people of our country than all other institutions of modern society combined." (Samuel Gompers in an address, *Federationist*, Sept. 1902, p. 519.) See pages 186-95 of this book.

the level of assistance to the brotherhood to the level of coercion and oppression of the world outside. The non-unionist's behavior may not be anti-social, nor eventually anti-union, when he refuses to assist in a strike that is unjust (page 203). Christianity in this age, whatever the provocation, does not deem itself permitted by the spirit of Christ to indulge in hate and anathemas, as suggested by the blackleg inferno, and as made terribly real in the maiming and killing of scabs. Too often unionism's morality is anti-social itself, in being exerted, not for society as a whole, but only for its own members, and for those it hopes to gain. No doubt there was morality of this kind in the West Indian buccaneers. The ancient clan, heroic in defense of its own men but merciless toward outsiders, was more moral than many a trade union. The clan constituted the whole state, and hence had a right to coerce in governing, and it observed the best morality it had opportunity to know; while the union is not the state, but is only a trade or a section, which attempts sometimes anarchically to impose its will on outsiders not desiring to join it, and often does so in the partisan spirit that refuses to perceive opposing truth. It could hardly be said that the United Mine Workers, when to unionize a competing Kentucky district they formed armed camps and resorted to violence, did so to benefit the contented body of men whom they thus tried to terrorize into the union.¹

¹*Labor Bulletin*, July, 1902, p. 856. (See page 565 and Chap. XXVIII.)

Has Unionism a Lofty Ideal? "To redress wrongs and raise the workers' standard of living might be an ideal if combined with generosity of feeling and rectitude of conduct. But we cannot think of effort by a class to gain material advantage for themselves, irrespective of the rights of their fellow beings, as in any sense idealistic." (*The Independent*, April 30, 1903.)

Was It Moral Power? The action of the American Railway Union, in taking up sympathetically the strike of the then unorganized men in the Pullman works, who had contributed nothing to its cause, is said by Miss Addams to have been certainly a manifestation of moral power. Not considering the dangerous disregard of public rights, the practical insurrection—methods that would vitiate the best motive imaginable—this sympathetic strike did involve morality much higher than that of those Pacific islanders whose immediate selfishness makes them too treacherous to act together long. But it was not such morality as that which binds men in political parties, and in various public associations. If successful the Railway Union's sympathetic strike would have been the most effective means of gaining

The Most Widely Inclusive Morality of Unionism appears in the American Federation's effort to organize every group that works for wages, down to the humblest, and in the helpful members and prestige, political power, and sympathetic aid for itself when needed later on. F. S. Hall, in his judicially fair book on sympathetic strikes, says that they arose from the workers' growth in foresight, not in ethics—that in such strikes the object is to obtain "future goods."

For Intolerance and Tyranny no other force now appears in civilized lands that approaches unionism. This must be said under the purpose in this book to present truth that is whole. None of the facts or principles favoring unionism are omitted, nor is there any hesitancy to portray in its full blackness the record of employers, nor to admit that several centuries ago the church, in its torturing and burning of tens of thousands, was perhaps, in effect if not by design, the most diabolical institution on earth. In fact, apart from unionism, intolerance has now practically disappeared. Nothing else now aims to force people's action against their will (much less to force their inner thoughts) where they have some shred of reason for their choice. In lightening its penalties for unquestioned offenses the state goes to extremes of mercy and liberality. Sunday laws are not enforced, and in seeking evidence against the worst dive keepers and saloonists policemen are not usually allowed to go secretly without uniform. Even in the American war in the Philippines, and in the British war in South Africa, few of the scrupulous could raise the cry of traitor against those citizens (largely trade unionists) who denounced the war sincerely. Only in a nation's dire necessity would men's opinion of a war now be gagged. Those Massachusetts people who, for taking the side of England in the Revolution of 1775, were severely boycotted (a fact now cited by unionists), being unable to have wheat ground or any work done—would now, by the man of fair mind, be at least secretly respected for moral courage if they were conscientious; and though their motives were bad, he would not join in unlawful persecution.

Everywhere but in Unionism it is agreed that what we cannot have without the liberty of holding and of expressing honest opinion, and of exercising choice guaranteed by law, we had better not have at all. And American unionists have no excuse in lack of means. Workers all have votes, every candidate and party is trying to please them, and few are those who will not listen to their arguments. If the coercion is right which they now enforce by boycotting and terrorizing, there are certainly in the nine-tenths outside their fold, enough of honest people who will be convinced by reason, and who by joining them will make peaceable combination suffice, or who by voting with them will enable them to carry out their coercion lawfully through the state, the only coercive power, not anarchically as at present through mobs.

The Fact that the State Does Not Dare to Enforce by Law, or to permit private societies to enforce, the will of unionism concerning scabs and boycotting, since such enforcement would lead to the destruction of liberty

fraternity existing between it and similar federations throughout the world. This morality approaches perfection in so far as by rightly and wisely uplifting wage earners it aims to benefit all together. But it is to be feared that few unionists can look beyond personal and trade interests further than to the interests of the working class. The desire to include all is not chosen, but is forced on the federation by the necessity of thus securing widely united action in wage demands and in politics. A controlling socialistic policy, which passed largely into unionism, was to foment among the workers a hatred of the classes above them. The percentage of those whose ruling desire in unionism is to benefit all, with little or no thought of self or class, is undoubtedly small compared with those having this desire in their connection with political parties, and with various educational and philanthropic movements. Those leaders and other unionists who have this loftiness of motive are doubtless insignificant in number compared with those unionists who, instead of desiring to benefit other classes, take an evil satisfaction in getting even with them. It is not a matter of intelligence. The dullest Christians that pretend to keep the faith spiritually do not permit themselves to give way to hatred of any one, however bad he may be. It is socialism that tries to weld the masses into brotherhood by preaching hatred of the classes.

In the Highest Class to Itself is the Morality of Christianity. In it there is no other thought than disapproval for joining the church with the motive of getting business custom or social advantages. In the church's effort to reform the wicked, and to improve the morals of all, there is practically no thought of making the town a better place to carry on business, nor does the church itself think of foreign trade when it sends the

in other respects until despotism was restored (under which the working class would fare worst of all), is proof of the untenableness of the unionist contention that the necessities of the case make intimidation and boycotting justifiable. Where unionism is righteous, and of value to the workers, not many of them will fail to perceive that it is, and those who do fail will be too dull, dishonest, or inefficient to retard its progress. So far as scabs are to be regarded as tax dodgers or traitors to a good cause, the effect of that very fact on local opinion will hold them in check sufficiently, and without undermining the people's liberties.

gospel to all the benighted lands it has resources to reach. To an extent very small during its history, and far smaller now, has the church taught the saving of one's self regardless of others. And over-wrought is the claim that the church is unduly concerned with other-worldliness—that it teaches the poor to be submissive under present injustice, since all things will be made right in heaven. In every age the church has been the chief friend of the poor and oppressed, and nearly everything done for their uplifting has been the work of people led by Christian motives. It is mainly by the labor and money of people in the church—already burdened with its support, and a vast majority of them poor, the average salary of American preachers (despite the high cost in time and money of their education) being less than the average income of mechanics¹—that the many movements for the uplifting of humanity are carried forward, and almost wholly for the benefit of people other than the givers.

The Church's Objects and Methods, though glibly criticised, as usual in such cases, by those who bear none of its burdens, and who make little or no pretense to perform duties which, if binding on its members, are binding also on themselves,—are what able and devoted men have found to be the best. Not only from Christ's example and teaching, but also from their own experience, they know that the church's mission is not to decide questions of paying tribute to Cæsar, nor to be a judge and a divider when brothers quarrel over an inheritance, nor to head a party for reforming abuses in government or industry. Its mission is to continue Christ's work of making right the hearts of men individually, by showing them their Father and leading them to Him. Thus are imparted to them the spirit and motive that will lead them to act righteously in their political, industrial and all other relations. If the socialists, ignoring individual character and depending on outward

¹That he knows this to be true is asserted by Rev. Charles Stelzle ("The Workingman and Social Problems," 119), a preacher and social settlement worker who was formerly a union machinist. He says there are "thousands who have spent fifteen years in preparation for their work as ministers who receive less than is paid an unskilled laborer." He must mean well paid laborers in city building trades, and the poorly paid ministers of weak churches.

cleansing through new laws, can thus uplift the people, they are welcome to do so as far as they can secure the necessary votes, and to favor enactment of good laws no people are more ready than those in the church. But the church has no reason to believe that before men individually have first been cleansed from sin in the heart can sound reforms in society be effected or continued, or would the material comforts that absorb the thought of socialists have other than the not uncommon effect of good living to drag unregenerate character lower. To bring about the better social order there must first be purer desires in the hearts of the voters. Men who do not first love God will not go far in loving their neighbors. And apart from spirituality, Christian character lies at the basis of industrial progress in its effect to give self-mastery, foresight, and prudence—qualities that socialism belittles.

The Claim That the Church Offers Charity Instead of Justice had some basis in truth a century ago, but even then it was beginning to build up, as fast as it was taught by science and experience, the splendid array of activities by which now, so far as its means permit, it furthers its main spiritual work by giving bodily health and industrial capacity to the poor in cities, in the South, and in heathen lands. In all this work there is now the minimum of charity in mere temporary relief, and the utmost effort, by properly influencing legislation as well as by personal teaching, to remove every form of injustice, and to place those aided in the best conditions of life. Every kind of movement for the good of humanity—religious, social, industrial, political—is now advanced by the church and by church people in the way by which their resources can be used with largest results. All the time heretofore they have done this to the best of their knowledge, but at present their knowledge is wide, and is fast passing beyond the range of criticism.¹ Now, as heretofore, if the Christian church

¹Not strange is it, under the usually heated feelings of the socialists, that they do not regard the fact that their praiseworthy ideal—of the best conditions for every person society can give him, of the preciousness of every life, however lowly—was derived from the Christianity they hate, of which their religion of socialism is really a perverted form, though noble in some respects. "Apart from Christ the natural tendency is to come back to the standpoint of the Greeks, and despise the masses." (Prof. R. T. Ely.)

were eliminated from society, the workers would have scant hope of better things. Upon the church depends conscientiousness, and upon this depends the award of justice to the humble at the cost of ceasing to gain from their oppression. The great religious revival in England under the Wesleys led to the general abolition of slavery,¹ and from this to the present move-

¹C. D. Wright. "Ethical Phases of the Labor Question."

In Charging Bad Motives to the Philanthropy of the Rich—a complaint now very common—there appears to be less truth than cynicism, or than socialistic exaggeration of evils. The teaching by Mr. Mallock that wealth needs moralizing and Christianizing, and by Mr. Carnegie that the rich man should conscientiously choose to be a trustee for society, can never justify wrongful acquisition, from which a heavy balance of evil is inevitable, and must not be thought of as releasing the state and public opinion from doing the utmost to wisely guard, educate, and encourage the workers; but such teaching is sound and true as to that largely preponderating portion of great wealth that is now rightly earned (page 354), and that will make some rich under any degree of social perfection. Not only would it be very difficult to find instances in which gifts from the rich to the church are in the remotest way conditioned against teaching or activity presumably objectionable to the donor, or instances in which the church blamably tries to please the rich, but in the philanthropy of the rich individually it would be difficult to find indications of improper motive, or lack of wisdom in the best sense. The claim that they offer a soothing charity of the soup-house kind, to keep the exploited quiet, is now practically groundless. As the church's teaching of the righteousness of Christ will expose any unrighteousness there may be in the rich (to a very small extent does the church now explain the latter away), so the colleges and libraries endowed by the rich give willingly a place to the teachings of socialists and other fault finders; while few indeed are the professors who desire to give such teachings less than all the consideration they deserve. Fewer still are those who would take the risk before students of detection in bias, or who could be held to bias by the freely charged but improbable expectation that teaching is to accord with the interests of those by whom a university is endowed. In fact, the socialistic doctrines are mainly unworthy of attention logically, but are given a place of importance because of willing admission that wrongs exist, and because of readiness to hear any proposal for their removal. University students as a rule, including many not poor (few of the great socialists have belonged to the working class), seem disposed to watch for bias in professors, and to go further than the truth justifies toward accepting socialism, religious infidelity, and other forms of protest against orthodox doctrines—because, perhaps, of a chivalrous readiness to defend what appears to be unduly and selfishly belittled, and because of the too great confidence of young men in their own judgment, with desire to use it independently.

The Recent Affiliation of the Chicago Teachers with the local feder-

ment in all the progressive countries for giving every human creature the best opportunities for making the most of his life.

That the Workers Hate the Church but Honor Christ is

ation of labor was apparently a wise step, in view of the need of city teachers for influence from voters to avoid levies by bosses; but certainly not representative, it would seem, was the teacher delegate who said their joining the labor federation was to save the democracy of the public schools—to save them from being made mere feeders of the universities, and from being led to teach economic and political principles inimical to trade unionism. The public high schools ought doubtless to prepare less for colleges and more for immediate bread winning, and ought to give more and freer instruction in trades than unionists would like, but if unionism has to choose its economics to suit, and objects to the university ideal and practice of searching for and adhering to the truth as it is, without fear or favor, then unionism will hold back or pull down its members, and the public it influences. Such a policy would prove the unionists to be too narrow-minded to utilize for the benefit of all classes their unionism's basis in truth acknowledged to be scientific and solid.

The Industrial Teaching Promoted by the Rich Protects Their Own Interests by enabling people to get along contentedly under the present system of society, but it also enables the latter to detect injustice and to avoid exploitation. In general the philanthropy of the rich allays public feeling against them, but, being so directed now as most effectively to give the masses intelligence and power, it will enable the latter to throw off the wrongs by which the rich get profit. In the far-sighted recognition among the rich that the masses, in order to do work and buy goods, must be allowed justice and prosperity, there is probably very little attempt by the rich to reduce the latter to feudalism. There is certainly no attempt by the rich to keep anybody in ignorance. Without making allowance for excusing circumstances, one may assert that in deeply laid designs of evil the rich in recent years have had nothing comparable with the socialistic plan to bring about a revolution by stirring up hatred, abolishing the church and the family, and throwing over various standards of right. If the classes that are not rich will only be honest and patriotic themselves, using diligently their unprecedented opportunities to get knowledge and capability, they will soon be able to remove by law and self-help the wrongs that enrich the few, and thus to turn the talents of these to service that is free from robbery. Not only for the many will there never be any other way of getting wealth than by rendering for it a full return at market values, but there will be no other way for the few—for the sharpers and the pampered sons of the rich—when the many learn better the mighty task of individual training and social government with which they have been honored by the Creator.

It is Too Much to Expect of Human Nature that the rich will voluntarily go further than they now go by philanthropy in a movement for shearing themselves of their power, or that going further will appear to

often asserted. The hatred is connected with the socialistic charge that the church pacifies the workers with promises of heaven, and cows them with threats of hell, in order that their exploitation under the present industrial system may be continued without resistance.¹ No doubt the old and settled churches of both Europe and America have been culpably conservative, neglecting their duty to the common people in order to retain the favor of the wealthy, by whom the church is controlled and mainly supported. But for some years in Germany an influential party in the Catholic church, and a similar party in the Protestant church, have earnestly sought to assist the working class in their reasonable struggles, though against atheistic and revolutionary socialism many Catholic prelates have made pronouncement, and their church in Europe fosters anti-socialistic societies. The Catholic party in different countries has a labor program, and there are many Catholic societies and periodicals for workingmen. Several organizations for befriending the working class movement exist on a small scale in the Episcopal church in England and America, and individually many clergy-

them as a duty. For them to aid the people so far as that would render still more inadequate the latter's capacity for self-government. And those rich men who now devote their fortunes to education would be far less useful to society if they followed the example of Owen and St. Simon, rich and able socialists whose life work was useful in hastening reforms, but perhaps was more useful still in proving the impossibility of socialism. Whatever injustice may be ascribed to methods by which a man's wealth has been acquired, there can be very little retroactive punishment by taking that wealth now. If people then were not able, by means of law and individual alertness, to hold wealth getting to honest methods, their suffering was needed for their instruction under nature's plan. The same is true as to the wealth getting of to-day.

¹"And that ye study to be quiet, and to do your own business, and to work with your hands." (1 Thess. iv. 11.) This advice of St. Paul, though offensive to a socialist, is followed by those who do good work of any kind. Even he whose own business is that of a labor agitator does a great deal of quiet thinking, observing, and personal interviewing, and to his work applies himself diligently. Most people need to obey the text as hand workers, but there is no hint that duty may not call one of these to organizing his fellows, as Peter left fishing and Paul left tent making. "And be content with your wages," John the Baptist's admonition, would be agreed with by the union leader in the case of pay not to be raised higher, like that of the Roman soldiers addressed, and also by the reasonable socialist after he had found that by no means could conditions be changed.

men of this church, as well as of the other churches, in both these countries, are outspoken in taking the side of the workers. In the British strikes in 1889 among dockers, and in 1893 among miners, the clergy were with the foremost in giving money and exerting influence, and were followed by many persons of wealth and position. At present the tendency with American preachers as a class, including not a few who minister to wealthy congregations, is to go further in favoring socialism and unionism than economic truth would justify;¹ and during the last twenty years, leading instead of following, they have received proposals of social reform fully as fast as the latter have proved their right to a hearing. Those preachers who unduly defend the rich are doubtless outnumbered by those who are too considerate toward the poor to tell them unwelcome truth. It is significant that those economists most widely studied by church people—Professor Ely and others of lesser note but of similar views—are the ones who go furthest in defense of unionism and socialism. The ablest of the religious journals also advocate freely the various reforms that are based on reason, without concern as to being called socialistic.

“Unto This Last as Unto Thee.” The idea that the organized or agitated workers believe in Christ, but not in the church, is connected with the notion that Christ was a social reformer, and would now be a labor agitator; and with the other notion that he taught socialistic or communistic equality, in the parable of the same payment to hired men beginning at the eleventh hour as to others who had borne the burden and

¹Prof. F. G. Peabody (“Jesus Christ and the Social Question”), from whom a number of facts and ideas in this chapter are taken, shows that the part of preachers and church bodies, in solving social problems, is to reprove sin and wrong as did the ancient prophet, but that they frequently make mistakes, and expose their ignorance, when by proposing specific remedies, or endorsing labor movements, they attempt the work of the economist or statesman.

“The downward movement in the extension of the range of ethical obligation has in recent years been stronger than the upward one. The favored classes are to some extent trying to atone for the shortcomings of past centuries. This is well; but it is also right that earnest endeavor be made to quicken the conscience of wage earners to a sense of their obligations, for, like all others, they have been thinking too much about rights and too little about duties.” (R. T. Ely, “The Social Law of Service,” 1896.)

heat of the day (but who would have made trouble before working on the same basis many days longer). That Christ was a teacher of religion for all future ages and peoples, not a reformer of government or industry for the one age and country in which he lived, is clear in his persistent refusal to be made a political leader or king, or to be entangled in questions of law or property. And that he did not teach socialistic equality is evident, not only from the fact that he wonderfully avoided trespassing on natural laws since discovered by science, but also in his parables of unequal reward according to talents received, and of reward or punishment according to faithfulness or unfaithfulness in business stewardship. Instead of being a sentimentalist, sympathizing with and blessing all alike, regardless of individual merit, Christ was stern and strong in relation to justice and duty. He pronounced doom on the unprofitable servant with the one neglected talent, and taught that to be worthy of his blessing one must bear the cross daily, and be, not regardful of the socialist's bodily comforts, but ready to serve even to the loss of life. Christ, followed by those nations and persons that reach real success, was "not so much concerned with making the world soft and easy, as with making moral fibre hard and strong." In these matters of merit in service God is a respecter of persons, as men soon learned to be from experience, and as by nature men must be if human life on earth is to continue. It is in receiving his children who turn from sin unto him that there is equal welcome "unto this last as unto thee"—unto the worst as unto the best—and more joy over the prodigal returned than over the son who had wasted no property and grieved no hearts. It was in deserving employment, and in using such opportunities as came, not in quantity of product, that the eleventh hour servants were equal in merit with the others. The same principle of judging men's conduct according to their opportunities is followed everywhere to-day. A man doing the best he can, but causing so many losses by his failures that his service to society becomes a minus quantity, may be regarded as equally faithful with another whose talents and good fortune make his life a line of successes. "'Tis not what a man does that exalts him, but what he would do."¹ Christ was the friend of the poor, but he

¹Browning, quoted by Peabody, 293.

was also the friend of the righteous rich, bestowing his approval on the rich publican Zaccheus, and on different Pharisees who did not participate in the wickedness of their sect. To have civilization, or life of any kind for many, there must be wealth, and to have wealth there must be rich men, with incomes large in proportion as their services to society are valuable, on the same principle that a good farmer gets good crops. Christianity, being sensible and true, recognizes these and all other facts of nature, endeavoring to lead men into the righteousness that will raise all to the highest level of good attainable from their gifts and environment.

The Elements of Truth in Unionism and Socialism are Uniting Them With Christianity, in the grand movement for human welfare. The most hopeful sign of the times is the growing disposition in all classes to agree in the right spirit on means of social reform. Just as far as it can go and yet be faithful to its divine purpose, for which it has been sustained and increased for nearly two thousand years, the church overlooks the widespread tendency toward setting up unionism in Christianity's place.¹ Because unionism, despite its faults, re-

¹**The Union's Proper Objects are Business and Politics.** Of course there are many thousands of unionists who have no thought of setting unionism in the place of Christianity, as there are many thousands of them who, in the necessity at unionized places of being members, consent only passively to unionism's other faults. In unionism, as in other movements, it is largely on the good conduct of these conservatives that success depends. Fortunately such conservatism has been fast increasing in unionism since the rise of its many able leaders. It is nothing to the discredit of unionism, so long as it adheres to the right, that its morality is inferior to that of the church. The fault is the tendency to claim the church's place. The union's object is to effect changes in industry, by law and combination, not to teach religion or morality. The American Federation of Labor rightly sent speakers to the South to agitate for new laws against child labor in factories. Such laws benefit society, and the Federation had a direct consideration in their effect to strengthen unionism and wages. But the church's resources are insufficient for half that ought to be done in the religious work of putting into people's hearts the desire and ability to do right—of giving them moral qualities without which society's increasing consideration for the weak could not continue. It would usually be wrong, and self-destructive, for a church body to leave its highest of all service and turn aside into political or labor reform, any further than with occasional sermons and resolutions for urging performance of individual duty (page 652). The

sults in uplifting, especially of those who carry it forward and receive most of its benefits, and because it has grown up from forces less under the control of its leaders than is usual in such cases, the church, in its sympathy for all who labor and struggle, is disposed to excuse, not to accentuate, unionism's frequent indulgence in a spirit and a method that are unchristian. If unionism will remove from its own eye the beam of departure from the principles of law and of Christianity, it will lead the church to complete the removal from its eye of the mote of failure to recognize unionism's merits. Not much of this mote yet remains. For the presence in unionism of a feeling against individual industry and thrift, in the hope for socialistic help from others, which feeling has been the cause of much of the cold unconcern and opposition among the rich, the church is now making full allowance in view of the workers' circumstances. Making their policy conform more closely to economic laws, which would seem to be within the easy grasp of the enlightened unionism of to-day, will secure for the workers willing recognition from the church and from public opinion, and substantial concessions from employers. Though the church has always been faulty, like other human institutions, and though its failure in Europe to do more for uplifting the suffering masses drove them to a "pathetic attempt to find in socialism a substitute for religious faith" (Peabody),—the various denominations of to-day in America are certainly striving very earnestly, with great cost in money and labor, to be faithful to their trust—to prove that the Christian religion is the means of social redemption. The most effective way to secure their full coöperation with all that is right in unionism is

church's purpose is to "generate a supply of spiritual energy sufficient to move the world with wisdom, courage, and peace." (Peabody, 357.)

The Source of Religious Infidelity. Though there was some excuse in the hopelessness of the European workers' lot, the denial of Christianity by socialism, as by infidelity in other quarters, has sprung chiefly perhaps from an unwillingness to view soberly and resignedly the facts of nature as they are. The apparent lack of unionist ardor in some Christian men belonging to unions (*McClure's*, Jan. 1902) may arise not only from scruples against violent methods, but also from a patient seriousness, which after facing God's requirements in religion is well able alone to adjust one's life satisfactorily to present industrial conditions, with an ability indicated in these cases by ownership of homes.

for unionists to unite with them, and thus to perform individual religious duty while influencing them toward better performance of social duty. All along unionism has naturally been favored by those congregations composed of workers, and by those preachers belonging to their class. Similarly, the wise way to bring unionism to righteousness and highest usefulness is for Christian men who oppose it to admit the fact that by nature it has come to stay, and by recognizing or joining it to influence it toward the great good of which it is capable. As European socialists—giving up their policy of cultivating class hatred, in the hope of thus bringing early and violently the coöperative commonwealth,¹—are now no longer standing aloof, but by uniting with the reform elements of all parties are fast securing the most promising legislation, so the trade unionists of America, if accorded the consideration their cause deserves, will add greatly to the forces that make for human progress, instead of being a menace in its way.

¹Bernstein in Germany, and Millerand in France, are socialist leaders who have perceived that a new and better society is never to be ushered in by a cataclysm (which socialists long sought to bring about and expected to come before 1925), but only in the old way of improving as best we can the society we have, which is the best that all the generations preceding us have been able to make.

The Lack of Foundation for the Workers' Complaints of the Church is shown in the studied replies to letters sent by Rev. Charles Stelzle to over two hundred of the country's foremost labor leaders. The faults they pointed out the church and its preachers have long been considering, and endeavoring to remedy in the best ways to be devised. Though the conscientious will strive to put away caste, and to be sincerely democratic, the church will continue to be high or low, cultured or plain, according to the level of the majority of a congregation. The workers, being properly hostile to separate missions and "workingmen's churches" (a number of the latter have failed), must adjust themselves to a church of social grades like those of society. While teaching the same righteousness for all, the church can no more decide whether an employer member pays enough wages than whether an employee member does enough work. Such questions are difficult for even an expert board of arbitrators taking full testimony. The all-inclusive reason for present unionist hostility to the church is hardly other than the usual unwillingness in any class to repent of sin and to give up self-indulgence. Those workmen, whether proud or lowly, who in the right spirit attend or join a church, are not troubled by the church's faults, and soon find that those who do its work and bear its bur-

dens learn best what plans to follow. (For the replies of labor leaders see Mr. Stelzle's book, F. H. Revell Co., 1903.)

Not a Peculiar People. Miss Vida Scudder (*Atlantic*, Nov. 1902) says the reason why city workers as a class have no use for the church is that its members are the same as outsiders in hard dealing and luxurious living, and that Christian simplicity of life, with social fellowship across class lines, must be so increased as to become distinctive. But does not a moment's presence reveal the difference between a conscientious Christian man, whether rich or poor, and a worldling,—between the thousands of Marys and Marthas in all social grades and the butterflies of fashion? The church tries to do all it can to make its members and all others Christ-like, and is striving earnestly to exert more influence in this respect. One of Christ's chosen twelve proved to be a son of perdition, and another fell away for a time. The different degrees of Christian spirituality are easily noticeable. By their duty toward the weak around them, as well as by their stewardship of wealth, Christians are required not to give in money or business lenience anything undeserved. The church cannot win favor with generosity as saloon keepers do. Those who are only to be won thus have not that seeking and hungering spirit to which alone is Christ accessible.

CHAPTER XXV.

THE MAN WITH THE HOE.¹

Self-Help the Only Dependence. As unionism has proved its merit, and by various reforms must do so further in order to completely fulfill its mission, so must each individual prove his right to all he would depend upon possessing. He who fails to put money in his purse, or to be useful and desirable in some other way, can never hope to count for much among men. He may be kept down without fault by misfortune, as others are cut off by early death. Life will hardly be otherwise than uncertain. But God helps those who first do their best to help themselves, and men help likewise. So to wrest natural preference as to choose people for their undesirableness is not expected to prevail very far under any code of morality.²

¹Title of a poem by Edwin Markham, 1899, portraying the lot of common laborers as unjustly hard.

²**Booker T. Washington**, founder of the industrial school at Tuskegee, Ala., probably the greatest, certainly the most useful, of all colored men the world has known, has sound ideas on the elevation of his race. His effort is to make his students so desirable as farmers and wage workers that the whites will be glad to hire them and deal with them, and will be compelled by their merit, and by the strength of the demand they can then make—to allow them their rights as voters. He makes no claims of consideration for the colored man because he has been our mistreated brother in black. Claims of that kind, though excusable, have doubtless caused the colored man to depend upon help from others instead of from himself. To rise in character, position and property, any man, white or colored, must be willing to make it pay others to hire him or deal with him. It seems wise and right for the Negroes to use expediency in seeking justice. They may deserve consideration without having fully or overflowingly to earn it, as Mr. Washington recommends, but they have no other way to get it, and cannot have too much merit when that is paid for in wages to them as they go along; while the whites who withhold justice will not be made worse by such a return of good for evil. Yet—to avoid becoming settled in inferiority, and thus losing power to rise from it, and to avoid confirming the

Let Us Hear the Conclusion of the Whole Matter of wages and employment. Now and in the future, as heretofore, each person must find out for himself what work society wants done, what will yield largest reward to him, and then go and do that

whites in self-injuring injustice—the Negroes should be watchful to make continually as strong a protest and demand as right opportunism sanctions.

Few People Are So Benevolent as to be Moved long in business by other considerations than those of personal advantage, especially when the one helped does not show decided merit. The over-wrought objection to men passing middle life, which often brings deserved loss instead of gain in its eager self-seeking, teaches not to trust in gray hairs, but in a pocket filled in earlier life, and in a capacity to do that asks no favors. And the lines dividing one social level from another show no sign of giving way (page 114). A black skin is only one of these lines of division. Common people in the North are sharply separated into a lower class without blackness of skin. Ignorance or unfashionable dress answers the same purpose of division, or any kind of undesirableness, whether real or fancied. People the world over, in every class, will continue to like and associate with some of those around them, and to dislike and repel others. A person may be wrongly excluded, but all he can do is to prove himself desirable. Perhaps some of his own dislikes may not be wholly reasonable. The existence of a variety of congeniality gives every one a chance to possess friends, but necessitates at the same time that toward few individuals should many be attracted. A few self-sacrificing Christian workers devote special attention to the unattractive at church gatherings; but they can spend very little time with each, and the latter, noticing the effort, must perceive that the separation of people into sets is inevitable under nature's laws. Though to give way to inward feelings of complaint is natural, accepting the situation as it is, and making the best of it, will secure for each person a fair share of happiness in life. The sure cure for despondency is to turn away from thoughts of one's self to diligent effort in using what opportunities one has. Shallow people find their own level, and are not troubled at being excluded; while those who, mentally and morally, are really superior to those who snub them, must develop that deeper self-respect which is not affected by adverse conditions, and must strive to deserve still better the favor of that large and increasing class who willingly recognize merit anywhere, and who never think of looking down upon (Bellamy rightly condemned this) one that does the lowest of honest work well. Besides, saving money, and having it to spend, will command respect from others not so just. Everyone is excluded somewhere—the richest man in a small city is nobody socially in a large city—and so on up to kings and emperors.

However, for those persons who are socially established it would show confidence in their standing, and not indicate in it a need of nursing—if instead of avoiding all not fully up to their level they made a practice of recognizing and thus raising to it the many bright people below with whom

work. The state can educate him through childhood and youth, and aid him, more so than at present, with such laws as will also benefit society. His relatives and friends can give him advice, help him with their influence to get employment, or patronize him until he can prove his fitness to survive in the business chosen. But this is all that nature will permit to be done for him. He must then look out for himself. He will lose both the inclination and the power to care for himself if more is done for him. To allow him to expect more will tend toward the same effect. Nothing more substantial than encouraging words can be given him, beyond what he earns, until sickness, or poverty to the point of hunger or cold, brings him down upon private or public charity. All this is decreed in nature, whatever we may think about it. The sentimentalist is

such recognition is the only lack, and whose fellowship would be worth the effort, apart from the resulting increase of the world's happiness and capability, and the rise of character in the one bringing it about. A writer in the *Atlantic*, Sept. 1903, says that even writers and reformers having wealth and social position fail to cordially recognize, and thus encourage as is deserved, wage earners fully their equals in the line of thought that connects them; that is, wage earners are tried on all tests at once, instead of as Mr. Roosevelt might measure men, by associating on an equality with one as a soldier and frontiersman, another as an author, another as a statesman, and another as a man of wealth and Knickerbocker ancestry.

The Equality Into Which All Men are Created is only that of equal protection from law and opinion (page 640), with that of equal access to God (page 653). That by nature people will always be separated into classes Thomas Jefferson, if he did not know it in 1776, learned afterward from the failure of his attempt to abolish divisions into social grades at Washington. When living in communistic societies people made equal in property and station are likely soon to be nauseated by the continual presence of brethren for whom they have no affinity, and those with minds not to be contented with the commonplaces of farm life tend toward ideas and interests that make communism unbearable. Mr. Brooks gives significant accounts of the disgust of Robert Owen's communists with attempts at equality of dress. William Morris, and other socialists having the individuality of the artist, were repelled by the equality of Bellamy. Social lines are drawn in the working class, as in the classes above. At a dance of Boston factory girls Mr. Brooks saw placards announcing that no servants would be admitted; and skilled mechanics usually treat their helpers as belonging to a lower order. Of one flesh has God created all men, but certainly not of one mind or one taste; and what he has made different let no man hope to make equal.

presumptuous who calls nature's laws "heartless and unchristian." Any practical man understands these things well. Some of the reasons why they are so are explained in these chapters. Yet sympathy and helpfulness are just as noble as they were ever considered. Their office is to cheer and encourage always, but never to do for a person what he ought to do for himself. Whatever may be done to uplift the masses, the wage worker, to fare well and be independent in this world, must strive like people in other classes—be unceasingly active to do more and better work, to prepare himself for better positions, to save money and acquire property, and to go into business for himself if that should be practicable. The present civilized system of producing wealth, under division of occupations and with exchange determined by supply and demand values, grew up according to laws of nature, and only as those laws permit can the system be changed, whatever the extremes of wealth and poverty, and whatever the desire to level up the low places in society.

The Son's Welfare is Not to be Insured by the Father or the State. The Illinois millionaire who failed to secure a successful life for his sons had vastly more money, more ability, and more desire to benefit them, than will ever be possessed for each of its sons by the state. Means to endow each of its needy millions with a portion of wealth the state cannot get, nor if it had the means could it prepare the needy to use a portion wisely, as many a son is prepared. It can only continue its present course of increasing facilities for education, and of enacting such labor laws as will result in public benefit. Very few in the upper classes are knowingly perverse in this matter, and very many of them are generally correct in their views. If reasons convincing to unbiased intelligence could be given for proposals to abolish poverty with socialistic laws, their enactment could undoubtedly be secured at once. If wealth to divide among the poor would answer, there would be no trouble in raising a billion dollars in private contributions. The futility of guaranteeing income and environment—the impossibility by nature of lifting people out of poverty to remain, otherwise than by teaching them as at present, with but little state assistance, to save themselves,—is shown in the inability of the richest and wisest parents to provide thus for their children.

When these are left with annuities or life rights they cannot barter away, they soon sink toward imbecility, by reason of relief from labor and responsibility.¹ Even activity in ordinarily proper training and care of children is easily overdone, making their chances worse than those of others about whom the parents do not trouble themselves.² On the same principles orphan children kept in large numbers in an institution, as socialism has looked forward to a public table on the Spartan plan, are pitifully helpless, unhappy, and backward in growth. By finding homes for orphans in adoption, and by placing reform school children in small groups in cottages, the state and orphan societies now bear witness to nature's law that people must live in families, and carry their own burdens, or sink fast toward not living at all. The much discussed coöpera-

¹Primogeniture in England is evil in making the oldest son an aristocrat, but it is good in developing enterprise in the younger sons by depriving them of a portion, and enforcing self-reliance. To this matter of inheritance is largely due the superiority of the English over the French, whose equal division of estates (good otherwise) checks individual enterprise, which is further checked by the giving of a dowry with a daughter at her marriage. The waiting dependence of the son for help from his own and his wife's father has been perhaps the main factor in bringing about in France a condition that threatens national decline. Americans, fortunately, are usually too enterprising to be affected by dowries or inheritances.

²**Spoiling Children.** A writer in *Atlantic Monthly* for Jan. 1902, shows the harmful effects of making children too important—the wearing out of the parents in effort to please them, and the increase of their unhappiness from a growth of desire that possession of the earth would not satisfy. The child with a room full of toys is never as comfortable as the child with nothing but playthings he picks up around the house. A child whose eating is watched, to make sure that he gets the best and enough, tends to lose his appetite. A writer in *Int. Jour. Ethics* of Oct. 1902, shows similar results from too much regard for children in the public schools. And a grown person is spoiled almost as easily, unless he is conscientiously watchful to take all his own share of the trouble and blame—a trait for which people of socialistic ideas are not noted. For holding every person to performance of duty nature requires, in the ruling by men, not a little of her own sternness. Its wholesomeness is shown by the dependable affection of children for the old-fashioned father, who ruled with authority, as compared with their light regard for parents that indulge them. The parent's ruling degenerates easily into serving. As the mother cannot do the daughter's learning, neither can she do the daughter's working, but must hold her to her household tasks, and not supinely injure both by doing the tasks herself.

tive housekeeping, by a group of families at one table, to relieve wives from household care, is prohibited by this law of nature, as well as by the inability of most people to bear the cost of that or any other kind of boarding.

The Man With the Hoe is Generally Happier than those who are concerned about him, though their kindly spirit is to be commended; and instead of being "stolid and stunned, a brother to the ox," or of feeling that he carries anybody else's burden, the country worker in America leads on the average a life preferable to that of better paid and better schooled men of his natural capacity in the city—preferable physically, mentally, and morally. As has been said, God must love the common people, because he made so many of them. But what is wrong about it? Did he create them common and then expect them to become uncommon? Not a few wise men think that what this weary world now needs is a return by many persons to simpler living. Some people want too many things here below. A want that cannot be satisfied is an evil. However worthy may be the desire in the worker and his family to raise their standard of living, it is still true that godliness with contentment is great gain. The strenuous life is very good so long as it is directed to attainable ends—is confined to effort for which it is naturally fitted. Beyond these lines it is beating the air. But worst of all, and far too common, is a complaining mood without strenuousness to make one's condition better. Such a mood adds to the disagreeableness of labor, lessens its product, and drags one downward; while hopefully making the best of things lightens the burden of labor (leads most people to enjoy it, in view of its results), adds to product and wages, and leads one upward. Nothing is more destructive to one's progress than to blame all on society.

Evil Socialistic Teaching Underlies the Common Complaint of the city worker who, whether his weekly pay be seven dollars or seventeen, tells Mr. Brooks or Miss Addams that he can save nothing—that even two children are too many for a working-man, and that as his family has nothing like the living it should have, saving by him would be wrong. From the same evil teaching come the mood and words of the man who justifies his frequenting of saloons, theatres, and dance halls by saying "there is no other way to get away from the maddening, intol-

erable efforts of our hard struggle for bread." Everywhere other families working harder and earning less, but depending cheerfully and hopefully on themselves instead of yielding to the socialistic fostering of distrust and despair, enjoy life more than his, and save a quarter of their incomes; and do this, not by the foolish waste of refusing to spend all that is necessary to keep one's self at his best, under the life plan followed, but by saving not simply the money, but also the strength and character that would be wasted in over-spending or dissipation. Moreover, not only other families, but in many a case the same family passes from failure under extravagance to success under frugality, and with the narrower living is happier than before when in the right spirit it makes the best of things. Such has been the case with many a young man brought from a higher to a lower work by ill health. What could be more futile, under the impossibility of changing the present system materially, than the socialistic unionist's teaching that thrift is no virtue—that spending all will make trade good and lead the workers to demand more pay? "The Fallacy of Saving" is the title of an English book. Especially do socialists fear the effect of saving to give workers a stake in the present industrial order and to make them contented, and hence opposed to the social revolution. It is such hand-to-mouth living as some unionists teach that fills the country with installment agents and collectors—men producing no goods but getting their full share—and that causes consumption and employment to drop so low in dull times. Thrifty and sensibly ambitious people, on the contrary, whom saving makes able to consume (the French peasant, living for the sake of hoarding, is not meant), give a variety of employment by furnishing good homes and by rising in culture, while their buying is for cash, and in dull times is but little diminished. And in the wage demand of a worker having wants but no money, what force is there compared with the demand of one who could lie idle a year, or travel anywhere?

The Added Liberty and Power of the Workers have not been given them because by spending all they were needy and helpless, but because they proved their worthiness by developing the self-help, thrift, and character recommended by Samuel Smiles (called by Mr. Webb the socialist "that unconscious corrupter of youth"). With those qualities they not only gained

the good of the life that then was, but with those qualities alone—not being lulled by content but being given desire for more and ability to get it—they have since been gaining many a good that was thus to come. To overcome the waste and indifference by which, under American wages, the poor cause nearly all the poverty themselves, and to awaken effort for better things, nothing perhaps is more effective than to start people in saving, though it be only in penny provident societies, and in the smallest deposits in savings banks. Encouragement to save, and to improve homes, is a leading effort of societies to assist the poor. To provide everywhere ready and safe means of saving, the European system of receiving and paying interest on deposits at post offices should doubtless be adopted by the American government.¹

Possibilities in Life. The “lamentable case of Hodge”² would be different now. He represented a poorly paid English farm laborer long ago, whose desire to better his condition was not encouraged by the preacher and other advisers. Their idea of a fixed station for a person, in the class into which he was

¹**Saving Habits in Immigrants.** Though, to avoid a foreignizing and a changing of America from her unapproached desirableness heretofore, and to avoid a crowding of production to poorer land and harder conditions, it would be well to restrict immigration closely, yet the willingness of most immigrants to live on nearly nothing in order to save money is a fact not against them but in their favor, and is a far stronger incentive to wage demand than is desire to spend at once for good living. Ability to labor and to deny self in the present for the sake of the future (not yet reached by Filipinos and Hindoos) is the first requisite for rise to civilization. People ready to endure the hard living of the Slavs in Pennsylvania in order to save money will soon learn to go after and demand the highest pay securely in reach, as Chinese are not backward in raising prices and dealing strictly in conducting laundries, and in domestic service. The effect of saving to give one strength and independence to go alone is attested by the socialist and unionist fear of it in piece work. A fixed desire to save and achieve surpasses education in leading one to acquire that wide view of the field of work, and that definite purpose, whose lack Mr. Wyckoff found to be the great handicap of the poor. As in many relations reserve power is the greatest of all power, and potentiality superior to actuality, so does keeping surpass spending, the latter of which is often disappointing, the effect of keeping being to give such self-control and endurance that care must be taken to avoid injurious extremes.

²F. A. Walker's “Political Economy,” page 283.

born, has never been prevalent in America during the century just closed; and for some time many have taken the opposite extreme, that any person can rise to greatness if he will. The latter idea is no more true than the former. A person's possibilities in life are determined by his natural powers of mind and body, as helped or hindered by elements of chance (to him at least) in his surroundings and opportunities. Heredity is not all. Of the same parents are born children differing widely in capacity. Environment is not all. In the same town, and even in the same family, of boys apparently equal by birth and opportunity, some do well and others do ill. Sometimes both heredity and environment seem to be nothing. It is not very unusual for one boy of dull parents, in a bad environment, to outstrip another boy of bright parents in a good environment.¹ Where the body is fitted to survive, no one above the grade of imbecility has now a destiny fixed beyond his control. For all such there is a field for effort with fairly sure reward. Without too much misfortune, any person can rise who has rising powers. He who lacks rising powers must stay down unless somebody lifts him, and then he will usually need holding; but by effort he can generally do fairly well without rising. The feeblest effort, when it is the best and wisest one can put forth, results at once in enlarging his capacity. Small rising powers are sometimes made large by a strong will, but the will was really an important part of those powers at first, giving them the element of extensive growth. Large rising powers in poverty often prove to be a more desirable gift with birth than fortune without such powers. Wisdom is knowing what to do with the powers one has, large or small. Virtue is doing that thing.²

¹Henry George said that if Adam Smith had been a coal hewer's son he would not have founded the science of political economy; and Mr. Hobson says the reason why a physician is paid more than a dock laborer "is not because of any greater inherent skill in the former's calling, but because of the present distribution of economic and educational opportunities." These socialistic assertions are proved to be of little value by American experience. Under school and work opportunities here not even in the slums or the black belt are there a considerable number of boys who could not easily obtain the physician's education, if they have the natural talent and will that would be necessary though they were rich (page 635); yet inequalities of pay here are about the same as in England.

²David Starr Jordan, *The Independent*, Dec. 6, 1900.

There is Little Need for Complaint Nowadays about these things, by the individual in regard to himself. Very few who know enough to notice defects in their conditions are unable to improve them. The tendency everywhere is to give special aid to those who strive to do their best, even when their rising powers are doubtful; and sometimes when their character does not indicate clearly that they will be helpful, not harmful, to society. The country is full of low-charge colleges and technical schools for ambitious youths of both sexes, in which every practicable encouragement is given them. Very rarely is merit of no avail. Wealthy people more and more, with their money and influence, are promoting individual and collective progress in the working class, and are doing so wisely and disinterestedly.¹ Though, as President Eliot complains, in his plea for larger outlays in education, the people are still lamentably in need of knowledge and self control, as shown by inability to get rid of drunkenness and crime, by readiness to follow crazes, like the free silver heresy, and by the continual biting of millions at thinly baited hooks of advertising; and though, as socialists and other reformers urge, there is crying need for more and better laws as to housing and sanitation in cities, and

¹ **Do the Rich Want Anybody to be Poor?** Small and decreasing, under the present intelligence of the rich, is the basis for the old idea, still common in England, that as the cultured life of the rich depends upon their having a class of common people to wait on them, it is the desire of the rich to keep people poor. Even with idle receivers of rent and interest, a good income, and relief from poor law taxation, depend upon good use of their land and capital, and hence upon employment of many workers at the good wages necessary for efficiency. The rich engaged in business are still more desirous of prosperity in the working class, that the latter may buy many goods. By capitalists, employers, and even landholders, nearly all their wealth has been earned with services that the whole people as the state could not have rendered. (See first three chapters.) The rich are in no danger of losing their jobs, and have no need to keep any class poor to avoid being leveled themselves. Nature divides people into classes by giving differing abilities. Since by nature the poor can have a good living only by earning and paying for it, enriching them, by reforms and education, must enrich all others except a few monopolists deprived of unjust privileges. To cooks and coachmen of ability the rich are glad to pay high wages. If the poor in Europe and Asia were raised to the level of American workers, the world's rich would have a vastly better field in which to make money and enjoy life.

for protection in many respects of the weaker workers,—nevertheless, in spite of all this, the ruling majority are improving the schools and granting reforms as fast as their intelligence and honesty will permit. Apparently, the working class leaders, in their readiness to tax the people in high wages for public work, and to follow demagogues for class advantage instead of patriots for the good of all, are not in a position to pass censure on other classes that they do not take upon themselves.

To Do Well the Hoeing in Hand is generally the first sign of rising powers, or of individual desert for better things. This was not the case with Daniel Webster, whose scythe did not hang well until he hung it on the fence; but his was a mind of genius, which could choose its own way of making itself known, and his father stood ready to educate him. Really good workers, in whatever grade, down to the lowest, seldom fail to be rewarded, and to find their work pleasurable besides. This is true even of poor workers when they try to do better. The majority of people must always do common work. There is more of it to be done, and most of them could do no other. In it they can serve society best. Rising for them will be doing it in an uncommon way. Nearly every person, by taking thought in the right spirit, can increase or improve his work somewhat, and can do so to the advantage, not detriment, of his health and character. The more efficient he is, the better he serves society, and the more it will allow him in return.¹

¹**The Quickness and Certainty with Which Merit Wins** better pay and better jobs have a solid basis in the employer's usual need for better work, in the extra profit to capital and management that such work yields at pay increased with full justice to the worker, and in the employer's being personally drawn toward any one who perceives and is faithful to his interests—whose deserving of a "well done" makes him desire to come under, instead of to avoid the master's eye. Reward for merit always has such a basis unless the worker is so near the employer in ability as to be feared as a possible competitor, in which case the worker is well able to get ahead without aid. The Erie Railway Company's recent order of dismissal for all clerks over 35 who have never been promoted is not, as a Detroit daily suggests in an appeal to socialistic discontent, a denial of the right of men over 35 to earn a living, but is a removal of unfit men out of the way of promotion for younger men below them (page 293), and is a removal of them into other occupations in which the railway grade of ability is not desired at its price. Though unionism requires members to apply for work to the foreman (at least one national union expels for applying

Fortunately, not many are troubled by their low station who are unfitted to rise above it. The natural law, "To him that hath shall be given," hard as it may seem, is necessary in nature's system of self-development by individual effort. Getting property or knowledge gives capacity to get more; failing to get them takes away what little capacity or property one had before. Nothing succeeds like success, and nothing fails like failure. It is this continuous and increasing reward, or punishment, drawing out man's best effort, that has made civilization what it is to-day. A contrary system, of rewarding need instead of effort, if it could have lasted a few years, would have changed men into full grown babies.

Abide in That Station to Which You Were Called is therefore a command of nature that can never be ignored. He who is called to step above the station of his birth seldom fails to get the means for making the change, though many of his best years may be spent in the process, and though criticism by those unable to understand him may add to his burdens. When the means are lacking, the call is uncertain. Where ability to achieve is clear, one may quickly get the means by striking out boldly, incurring debt, and brushing aside trivial family claims. And with those who attain special success, however praiseworthy, the average of morality, contentment, and good citizenship may not be above that of those who remain on the farm, or of workers anywhere who acquire some intelligence and property. Who will say that in these first of all qualities the wealthiest circle in New York, gathered in a palatial club house, surpass a farmers' club for mutual improvement, gathered in the plain-

otherwise), in order that he, as an active unionist, may give unionists the preference, and may prevent a seeking of promotion by displacement of others,—nevertheless, the foreman, partly because of absence of annoyance to him in watching work and in getting it done on time, is usually drawn toward efficiency and faithfulness arising from right motive. In the work of railways and some other large concerns unionism does not generally get such power over employment, and rich reward for merit is quick and sure. A Swede under twenty, before he had been in America a year, was lately earning \$70 to \$80 a month, on piece work as one of a gang of a half dozen, in the wood working department of the Pullman car shops. Mr. Wyckoff's finding everywhere of a readiness to reward merit was favored perhaps by his working for and near to small employers, and in factory work not unionized, though under unionism too merit is usually discovered.

est rural home? Philanthropists in England are trying to induce more people to take up the hoe. The deaths per thousand there in 1890 were a fifth more in the cities than in the country. Everywhere the rush to the cities has doubtless reached an unhealthy stage. It is there in America that one must go to find real misery, or unwholesome extremes in wealth and poverty or in social position. Positive want is rare in the country, and overwork or unhealthy homes.¹ The duty of each person is simply to make the best use he can of the body and mind with which he has been endowed, and of the opportunities within his reach. Doing this he may be, in the sight of God, and also of men, a greater success with the hoe than another with the scepter. "Act well your part [high or low]: therein the honor lies."

There are Wrongs in Government and in other relations of society, many of which wrongs are discussed in this book. That they should continue so long is trying to the patience of one who discerns them. Yet happily (it will bear repeating) the tendency of the times, stronger than ever before, is to correct abuses—to make the rights of the lowest as sacred as those of the highest. Nearly all the people mean well. It is knowledge they lack—of these principles of wealth and life we have been studying. Nothing less than the truth itself will make

¹Happiness in Plain Living. It is easy to agree with the conclusion of a traveler that the negro natives of Bechuanaland have a better and happier life than most of the common people of England (page 582). This fact may be an indictment of the English for not faster assisting their working class to better things, but that assistance must consist largely of teaching them to endure, like the farmer, the hardness of study, industry, and economy. The roughness of country life is nothing serious. Many a man who now fares sumptuously every day knows that he was happier long ago when he drank from a gourd and washed at the trough, and that he took just as much pride in his work. Only the rich have *ennui*. The complainer in the American city cannot reply that from a life of plenty in the country he is shut out by land monopoly. There is now more work and better pay for farm hands than ever before, and as good chances for success in farming for one's self. The fact that the body may never learn discomfort or may adjust itself to it—that the properly fed sewer cleaner has better health, and is less troubled with bad smells, than are the genteel—does not relieve the rich from the duty of assisting the poor away from dull animalism to the fullest life possible, but it is one justification of God's system of differing abilities, and of his law that men must climb and not be carried up.

men free indeed. The truth people must learn to accept, whether or not it is what they would like to believe. Upon their acceptance of the truth depends all permanent reform. It is for the majority to say what shall be done; and it is for each person to say for himself whether, by diligent thought and conscientious action, he will help to advance what is good, or whether he will hold it back by refusing to see beyond the immediate interests of class or party.

The Deserved Rebuke from the Man With the Hoe, to the American people, is for their delay in properly controlling trusts, railroads, and municipal monopolies, and for their delay in taxing incomes and inheritances (page 352); for their wasteful spending of public money, influenced by those who receive it; and for their continuance of protective tariff duties that give monopoly profits to mine and timber owners, and to some favored manufacturers, while raising prices of necessities to poor consumers, preventing exchange of surplus products for greater values abroad, lessening employment by the effect of high price to restrict demand, and encouraging extravagant public expenditure. A government income so large and so easily collected, by indirect taxes the people do not see, and spent so freely, with a view to near interests of private beneficiaries, could never be levied and administered by men of human frailty without wide departure from honest effort to promote the highest welfare of all. Among the direct beneficiaries—of the tariff, of the spending, and of the uncontrolled monopolies—there must inevitably be a lowering of character, from the enjoyment of gain secured without rendering a full return. This gain is a continual inducement to seek private advantage at public expense. It would be corrupting with those of purest mind and disposition. Therefore,

For the Common People's Discontent There is Reason that is not balanced by their own faults in the case of those workers, perhaps a majority of the dissatisfied, who are not sufficiently intelligent to be largely blamable for the wrongs in unionism, nor for following demagogues. The fact that in the middle and upper classes, for the same reason, an equal proportion of people must be relieved from blame, does not take from those classes, whose intelligence and influence must lead and rule, the duty of hearing and lifting up their less fortunate fellows.

Upon good grounds on the part of the common people, the equal public benefits of government and industry under present conditions are not clear enough to satisfy them that in the rapid fortune making of the day all is so just as their own political conduct will admit. To many of them the supply of apparently proper wants seems to come harder than ever. Perhaps those who gain from the tariff and the monopolies, according to established custom, ought not to be censured harshly. Others would doubtless do the same in their places. Yet, by the concurrent action of those who perceive the truth, and of others who will perceive it if they open their eyes, the blight of discontent, from feelings of injustice not without foundation, can be and ought to be removed from that considerable section of the common people upon whom it has settled. While it is true that they must mainly depend for advancement upon their own industry and economy—that carrying out all these needed reforms might not benefit a poor man's family many dollars a year¹—their life would still be decidedly changed for the better by the feeling that all was right in their treatment from society. The rich might then enjoy their possessions free from prickings

¹**With the Best Government Possible**, and with laws for education, sanitation, factory regulation, and control of monopolies brought as near perfection as human wisdom will admit, the necessity for morality, intelligence, industry, and frugality, by each person for himself, would no doubt remain much the same as at present. This seems true because, to avoid making conditions worse, so little can be done to relieve people of labor and responsibility, and because, however high and equally diffused the civilization, nature further enforces her law of labor by raising people's wants in proportion, so that they can never relax effort and rest. To make working people realize that their own individual effort must always be the only important source of direct good, would be perhaps the greatest of all help to them. The main step toward such help is to clear from many minds, by these reasonable concessions, the feeling of justified grievance toward capitalists, which feeling, fanned by the cartoons of sensational papers, caused President McKinley's assassin to consider himself a public benefactor. Removal of grounds for justified discontent will dispose of anarchy more effectively than will stern repression. The German government found (as employers everywhere are learning in the case of unionism) that repression made socialism worse, while admitting its just claims changed it toward the position of a reasonable party of reform (Brooks), though the faction desiring not to reform the present system, but to abolish it, still largely prevails, led by Bebel, in German socialist conventions, and declares in resolutions for the coöperative commonwealth.

within and from scowls without. While wrongs and jealousies can never be entirely eradicated, there would not be the present menace to the future (serious in some respects) from long continued abuses, especially after the trust problem had been settled, and after captains of industry had been called by law to a stricter account of their stewardship for employees and the public. Further awakening is needed in the public conscience.

From Both Sides the Concessions Must Come, and in the growing readiness among all classes to turn over a new leaf those having intelligence and influence must take the lead. The poor have the same reason to reproach the ruling public, for not having held them by law, against their own will, to education and sanitation, that a man has to reproach his parents for not having forced him to attend school and to learn a trade. These chapters on profits and wages have shown chiefly a need for reform of ideas and methods among the working classes. But they could not be expected to give up the unsound ideas on their side, from which they hope to obtain what many of them excusably consider just dues, unless the wealthy classes gave up their unsound ideas also, from which they have long reaped large gains, and for holding which not many of them now are involuntarily so ignorant or narrow-minded as to be excusable. Are not these few concessions (on the tariff, on trusts, on railroads and municipal monopolies, and on the extreme claims of capital in general) concessions which no discerning mind could honestly oppose as endangering American progress,—are not these about all that is necessary to virtually end the great conflict between capital and labor? Viewing a future of only twenty or thirty years, is anything less than this expedient? And whatever may be gained or lost by individuals and classes, can anything less be right?¹

The Importance of Removing Discontent. "Our electorate must continue more and more to be divided by that sharp cleavage which separates those who are contented with their lot from those who are discontented with their lot. . . . They will be sure to remodel the present system for the distribution of wealth, unless we have previously done so, upon bases wiser and more equitable than those now existing. . . . It certainly would tend to make private property far more secure in America if the less fortunate majority of our population saw us of the more fortunate minority giving courage and time and thought to efforts to solve these problems and others like them, and thereby to lessen some of the evils which in many cases bear so heavily and so unjustly upon the poor." (Wayne MacVeagh, Phi Beta Kappa address at Harvard University. *Public Opinion*, July 4, 1901.)

Miss Vida D. Scudder (*Atlantic*, May, 1902) points out the danger of sharp separation between the well-to-do and the voting mass, who brood over socialism, and shows the necessity of effort by the thoughtful to bridge the chasm, by inducing the rich to admit what is just in the worker's contentions, and by leading the poor to perceive that society could not live under a prevalence of their impulsive and thriftless generosity to one another (which to them is morality, regardless of bad results)—under a prevalence of their admiration of the corrupt boss for his jobs and kindnesses—and to perceive that civilization depends on justice to each according to his work, and according to the effect of his conduct on society.

Injustice Becomes a Nemesis for the Perpetrator. Apart from the danger of revolution by the discontented, permitting neglect of the poor, and becoming hardened to it, leads to the undermining of society with other forms of injustice, and gives rise, as in Rome, to savagery in refined society—to barbaric display, and to heartless indifference to the suffering of one's own employees. It is both a physical and a moral plague that is thrown out by the hovel. (Henderson, 269.) In the South to-day, unless those educators and others able to view both sides of the Negro question gain more influence than they have had lately, there is great danger that a vial of wrath will be filled up for the future, in natural penalties not to be met with intimidation. In public as well as in individual affairs God is not mocked, and the sowing determines the reaping. Among other things the new Alabama law just set aside, providing for sale of Negroes into serfdom to work out fines, indicates that, despite some good reasons for the general Southern attitude, the temptation to reduce the Negroes to the status of an ancient subject class is threatening to so affect Southern character as to unfit it for the progress of to-day, either moral or industrial. No people, history proves, that permits the rights of any class to be over-ridden, can remain a free people. Next some will gain by over-riding the class next above the one first subjected, and so on upward until freedom is confined to a few of the strongest. A spread of injustice from Negroes to others has already begun. A Southern writer (*Independent*, July 9, 1903, p. 530) says he saw a white family, including young children, forced at the muzzle of a gun to return to a swamp camp to work out a debt at wages arbitrarily fixed, and largely absorbed in purchase of supplies from the employer's commissary. In *The Outlook*, June 13, 1903, the secretary of a society for protecting Italian immigrants tells of Italians taken by deception to a West Virginia contractor, in whose camp they were bound and guarded, and when about to escape were held for non-payment of board and railway fare, and even of a charge made for the guarding that intimidated them. In this last case there was no bad law, like that set aside in Alabama, but only ignorance in the Italians, and subservience of local officers.

CHAPTER XXVI.

PRISON LABOR.

The Objects of Imprisonment are (1) to punish¹ for crime, that others may be deterred from committing it; (2) to further protect society by withholding from criminals opportunity to commit crime; and (3) to so teach and discipline the prisoner that he may be reformed, and become on release an honest and industrious citizen. To a large extent labor, as now carried on in prisons, is not punishment, but the opposite. The severe punishment is solitary confinement in idleness in a cell. Labor is the humane means of occupying time. Without it maintenance of discipline is difficult, prisoners' morals are injured, and when kept long in idleness many of them break down in health and go insane. Moreover, mere work for work's sake does not answer. The hard labor of running a treadmill, or turning a crank, has been limited or abolished in enlightened countries. There is believed to be sufficient punishment in the confinement and strict discipline; and such labor not only teaches nothing to be followed after release, but also deadens or displaces with bitterness the finer feelings of prisoners, who, perceiving its uselessness as to product, feel that its purpose is wantonly to add to their misery.

The Kinds of Labor, therefore, must be those of useful occupations. But a belief has become prevalent in many states that prisoners should be so employed that their labor will come

¹In the advanced thought of the present day there is earnest objection to what is called the barbarous idea of punishment as retribution, vengeance, expiation, or satisfaction of justice, and earnest assertion that the sole object of punishment is to deter persons from committing the forbidden acts. But apparently it might be replied that the reason why the idea of retribution arose at first and continued is that *as a deterrent* retribution is necessary, in the form of punishment for the deliberate wrong doer that is capable of self-restraint.

into the least competition with the labor of free men. As every stroke of work done by a prisoner, that would otherwise be done at all, takes from free men just so much employment, this belief would logically lead back to the treadmill. That conclusion, however, is avoided, or rather covered, by employing prisoners at what seems to be useful work, but in which the aim is to bring the product value toward the point of nothingness. This aim is carried out by having prisoners kill all the time they can in working around the prison grounds; by having them work slowly by hand, instead of with machinery turning out a product many times greater; by employing them, at great expense for variety of equipment, in making clothing and supplies for the prisons and asylums of their state—stringing out a quantity of work that could be done in a fraction of the time if the object were to make a product instead of to avoid one; and by employing them (this is urged, not yet largely done), under heavy expense for guarding and sheltering, in road improvements that could be made at lower cost by hiring free labor at high wages, but which are not wanted sufficiently to be made at all if paid for directly. There has been a tendency also to keep prison labor from competing with that of high paid skilled workers, unionized and politically clamorous, but to let it fall against the labor of the unskilled—poor, unorganized, and uncomplaining, but subject, far more than the skilled, to unemployment, and to danger of being swamped by the flood of immigrants. This competition with the unskilled occurs in the variety of servant work done about a prison by convicts; in their farming, of which increase is recommended; and in any of their road work that would otherwise be done. Even where prisoners produce supplies for state use only, nothing to sell, the men in some skilled trades succeed in having their work withheld from prisoners, as was done with the state printing in New York. Under other systems laws were secured prohibiting prison production of certain kinds of goods.

Not to Make a Profit From the Labor of Prisoners would be a good policy for the state if largest results could thus be attained in making them honest and useful. The state could well afford a net loss of \$1,000 on a prisoner for a short term if by such a loss he could be changed from an enemy of society

into a good citizen. But loss and expense in keeping him do not bring such a result. The opposite is nearer the truth, that is, that saving money saves him. A waste of labor and of money tends here, as elsewhere, to bring a waste of men. The treadmill is not hidden to intelligent prisoners in work that is obviously lacking in product. On account of its ease it may not be to them embittering punishment; but perceiving the sham, they must lose spirit and drop into dullness or into time killing. What else, besides such occupation, could better prevent formation of the habit of real work—always measured by product? And what kind of preparation for making an honest living on release, in this age of machinery, are hand trades chosen because not cared for by free men, or hand methods and skill not wanted by employers? It is mainly in learning to do and like real and useful work that reformation comes, and with prisoners, as with boys learning a trade, there is probably nothing that so inspires one with self-respect and purpose as to become able, not only to do one's work well, but to do thus a kind of work that is recognized as being up-to-date. Holding convicts to kinds of work not cared for marks them as inferior, and has some of the depressing effect of requiring them to wear striped clothes. Hence, prison labor, to answer its purposes, must actually produce valuable goods; and moreover, must do so in the most profitable way for the suitable trades chosen. Of the poor convict, and of the tax-paying public, nature was not unmindful.

Selling Prison-Made Goods at Cut Prices, and thus taking the customers of employers of free labor and displacing their men, can come about only because prison goods are undesirable. It is through increasing quantity alone that low cost of a product affects its price. The man picking up a nugget of gold on the surface sand sells it for no less per ounce than another man sells gold dust he has sweated and bled for. The farmer raising forty bushels of wheat per acre, on land it is a pleasure to till, gets just as high a price as the farmer raising but ten, on the rockiest land imaginable. The prison contractor, though he pays but thirty-five cents a day for labor, gets as high a price as he can. If quality of prison goods is poor, the price ought to be low, or the buyer would be cheated. Low price for goods

of poor quality made outside of prisons causes producers of good qualities little concern. In nearly every trade there are employers of all grades, including many that pay very low wages. Why, apart from poor quality, are prison goods undesirable? Because dealers handling them are liable to be boycotted by trade unionists; because in some states the law requires prison goods to be labeled, or exacts a special license tax from a dealer handling them; and because the Industrial Commission has asked Congress to permit any state to prohibit their shipment into its territory. What other effect could this crusade have but to make prison goods cheap, and to bring still lower the daily pay a contractor will give for a convict's labor?—poor enough at best, constantly changing in the release of prisoners, and coming largely from men of idle or vicious habits, who must first be taught to work, and who have not the encouragement of receiving wages. And where could be found a better case of the irony of fate—or rather, of a violated natural law—than in the well deserved effect of this crusade to make the very cheapness complained of, which would not otherwise exist, any further than lower quality justly required. It is idle to dwell on the low wages (35 to 75 cents a day) paid by contractors for the labor of prisoners within the walls. If there is too much profit in it, why do not others become contractors and pay more?¹ At times bids have been advertised for in vain, and many contractors have failed or withdrawn. A shirt maker using only half of 300 prisoners hired at 35 cents each per day is surrendering a ten year contract two years before expiration, the waste in material and oversight being enormous, since few of the prisoners work willingly or care how much trouble they cause. For convict labor or goods, or anything else publicly offered, the only statement of value to be considered is in the talking men do with their money. All this cheapness shows just what prison labor and prison goods are worth, under the odium covering them.²

¹The prison labor contention is here as contradictory as was the claim in a boycott case (page 222) that other firms would reduce wages because of competition from "cheap and inferior" machine-hooped barrels, of which "as high as 47 out of 50" had been returned as defective.

²**A Case of the Boomerang.** Dealers and consumers who bravely buy

Public Losses From Prison Labor Agitation have been heavy. In a number of states, contractors paying yearly large sums into the prison treasury, clearing sufficient profit to operate permanently, paying wages corrected periodically by new bids for the prisoner's labor, and sending out goods to whose competition business was everywhere adjusted,—have been displaced to make way for manufacture on state account; and the latter system, when the officials had set up costly equipment and learned to produce and sell to some advantage, had then to give way in some states to making clothing and supplies for prison goods do not gain the intrinsic value not covered by the low price. That value, being balanced by the useless odium and risk incurred in buying, is thrown into the sea. To prove unfairness of prison competition it is customary to cite an experience in Illinois, in which growth of barrel manufacture in the state prisons, about the year 1886, took business from Chicago coopers employing free labor. In this case, unlike that of tariff protection, punishment came to the industry intended to be defended by the hue and cry against prison goods, and benefit came to other industries. One can imagine Mother Nature here laughing in her sleeve at the vagaries of her children. The large supply of prison barrels sold cheaply, if buyers were not followed by the boycott, was a benefit to build up Chicago meat packing and brewing, as cheap coal built up Pittsburgh, and made it famous for large employment and high wages. If the boycott and hostile laws prevented shipment of the barrels empty, and consequently prevented rise of their price, they were to Chicago packers, like favoring freight rates, another source of monopoly advantage—the benefit falling to the last people that workingmen desired to favor. For the poverty of displaced Chicago coopers, of which harrowing accounts were given in reports to the legislature, there might have been two simple remedies. First, calling off the crusade might have spread the prison barrels over a wide area, raising their price to the natural level, and giving free coopers employment. Second, when from improved machinery or other cause the product of a man's labor is no longer wanted, the thing for him to do is to go where it is wanted, or produce something else. Society is ready to teach and help him for such changes, by which progress comes, and whose displacement of workers is overbalanced by employment in making new things. It is easier for a few in his trade to change their work than to force millions of people to change their wants; and any tax they bear, by wasting prison labor in order to help free men, is as truly charity as if the gift to the latter were doled out to them by the overseer of the poor. When by previous change work came to them from other trades, there was no guarantee that in a future change they would not in turn have to yield to others in the same way. In all conscience, the mass of consumers have little enough, without making laws to waste labor and reduce society's flow of supplies.

state institutions. Working convicts on roads has been prevented in the Northern States by fear of the degrading effect on the prisoners of public disgrace, and of the hardening effect on people's sympathies of habitually seeing men at work under guard. As a rule, one of these changes results in loss to the state of scores of thousands of dollars, interrupts discipline among prisoners, increases political jobbery with new positions and with purchases of new equipment, aggravates previously adjusted prison competition with free labor, and fans the fallacious agitation.

The Right Policy, however, learned from a costly experience, is gradually coming to prevail. In the South labor unionism and its agitation have not been sufficient to win much support for the policy of wasting prison labor that more work may be left for free men. But needed reforms there have been brought about by humane public opinion. Leasing Negro convicts to railroad contractors and mine operators (the easiest and most profitable way for the state to utilize their labor) involved for many years cases of cruel treatment, with little or no attempt to teach or reform, though the out-door work was much healthier for the Negroes than factory confinement would have been. The lease system is passing away; and where it remains state officials accompany the prisoners and protect them from the contractor's natural tendency to waste their life for his own gain. In some of the most enlightened and prosperous Northern States, notably Michigan and Connecticut, the prison labor question has apparently settled down to what is evidently the right policy, though not without recurring agitation for costly and harmful changes. For the first consideration, that of teaching and reforming the prisoners, these states keep them, whether hired by contractors or not, under constant control of prison officials. The prisoners' labor is used in the most profitable way opportunity affords, that by lightening taxation the state may leave as much money as possible in its people's pockets, and that for this money they may choose from the largest possible supply of useful things. Most of the labor is hired to contractors, making inside the walls, in the state's buildings, sometimes with its steam power, shirts, shoes, cigars, brooms, wagons, implements, tombstones, etc. Prison labor is sold, as oppor-

tunity may lead, by the day of eight hours (the usual way), or at a piece price bid by the contractor for the quantity of labor done. Prisoners not taken by contractors, especially the weak and the aged, are worked on state account—that is, the state, through the prison warden, carries on a business, buying materials, and selling the product. Where the management is capable, the warden gets for the goods, whatever the cost of the labor, every dollar that the agitation will let them bring. The success he seeks, in connection with good discipline and reformation, is to make the prison self-supporting. In the main prison of Michigan most of the 800 prisoners are hired by contractors, the only state account manufacture being box making, employing about 25 men; but Minnesota, on state account, produces binding twine on a large scale, Tennessee and Kansas operate coal mines, and Alabama operates a cotton factory. Everywhere, as a rule, convicts work a prison farm, repair prison buildings, and sometimes erect them new.

Losses and Failures Will Open People's Eyes. The common sense methods of the Michigan prisons have recently been considered, with a view to adoption, by several large states which lost heavily by changing from the contract system to the state account, and by crippling the latter system by forbidding use of machinery, by confining the work to making supplies for state institutions, or by restricting the prison output of an article to a small percentage of the total output of it in the state from free labor. Big deficits in prison finances to be met from taxes, and a realization of the fact that the essence of work, for discipline as well as for gain, is the making of product value, will gradually enable all the states to shuffle off the nightmare fear of prison competition, and to perceive that, in the scarcity to which most people are subject, to waste knowingly a prisoner's labor, in order to make employment for a free man, is as wicked as burning a loaf of bread to enable the baker to sell another. Of course there would be some evil in suddenly transferring five hundred prisoners from one industry to another. The advantage to free labor in the one abandoned might be outweighed by the injury to it in the one taken up. But if the prison goods could flow anywhere to the best market, the disturbance would be no greater than when made outside of

prison walls. All the time new factories are being built, to be operated largely by labor added to the trade, and other factories in it are being closed. If the country's total output of some commodity were made in prisons, its free producers might be harmed but little if the prisons took the industry gradually, and might be benefited after trade had become adjusted to the change. Trades suited to reform prisoners they are entitled to, but to have them produce all, or too nearly all, of a commodity would leave them no trade to follow on release, or would make the trade a disgrace to them. These objections, it seems, must prevent adoption of the idea that prisoners might do society's worst kinds of drudgery. Where prison labor is left alone, to be used in the best way arising, changes in prison industry are few and gradual, and the effect of the changes, as of the labor, is to benefit the prisoners and all the people. In many of the states the question seems to be reaching this happy stage. In 1901 several states passed laws permitting additional lines of work to be pursued in prisons.¹

¹**The Income From Prison Labor** generally falls far short of meeting the prison's expenses. But a few states, including Vermont, Missouri and Florida, with others in the flush times of 1901-3, have gained from their prisons a small profit, while Tennessee's profit was the large sum of \$284,281 for the two years ending with 1902, which sum was only \$24,238 more than the profit for the preceding two years. New York state has passed through all the changes of prison labor, and is now becoming adjusted to manufacture for public use alone, though by sound tests its change several years ago to this system is by some considered a failure. The change in Illinois was so clearly a failure that there was a return to state account production for market. There was also a return to previous systems in Indiana. The contract system is provided for in 28 states, the piece price in 6, the lease in 25, the state account in 47, and the state use in 24, though in the latter no others seem to have gone so far as New York, whose constitution of 1895 forbids adoption of the other systems or production for general sale. The changes from the contract system began about the year 1875, with agitation and lobbying by labor unions and by employers competed against. Previous to that time gain to the state treasury was the main consideration, there being little thought of competition with free labor, and too little attention to teaching and reforming prisoners. (See the Industrial Commission's volume on prison labor.)

The New State Use System. In view of Carroll D. Wright's statement, in his book of 1902, "Ethical Phases of the Labor Question," that prison labor has little effect on prices and wages, it seems that his qualified approval there of the state use system might be taken to mean that it is

The Poisonous Idea at the bottom of the prison labor agitation, and of tariff protection, socialism, and other false doctrines in economics, is so widespread and persistent that its

best *under the present agitation*. To employ by this plan all of New York's prisoners it will be necessary to devote much time to mere teaching, to produce by hand, and to do drain and road work not wanted at a money price to free men. The state's need for goods is varied and irregular, and would be far more inadequate in states smaller or poorer. Besides the absence of machinery, the guaranteed sale takes away the warden's incentive to produce quickly or well. The convicts know that it is only prison production, not like that of the outside world. It seems well for the United States to use as it does all the labor in its Leavenworth prison to make army supplies, and for states to prepare stone for public buildings and for roads; but to do this further than is advantageous to the state and its prisoners, and especially to forbid prison production for general sale, is giving way to the false and pestiferous idea that competition from prison labor must be worse than from other labor.

Unconstitutional Prison Laws. In New York state, where, in order to sell prison goods, one must pay a yearly license tax of \$500 and give a bond for \$5,000, the law requiring such goods to be branded "convict-made" was in 1898 declared unconstitutional, on the ground that it attempted to raise prices artificially for those trades followed in prisons, but not for other trades. It seems that New York's law requiring cities and school districts to buy its prison goods would be, under the fallacious reason, unconstitutional by the rule that the state cannot take away the city's right of choice in local affairs. (Chapter XIX.) Also, because no permanent good but only harm can be the result, the license tax (when not for revenue) would seem to be unconstitutional, and the proposed congressional permission of states to prohibit shipment into their territory of prison-made goods.

Giving a Product Away would not depress prices long. Persons out of reach of the free supply would have to buy as before, and pay enough to keep labor and capital producing. In the frontier town one does not attempt to beat down the wood hauler's price by threatening to go out a mile and get wood free. One is afraid of being told to go and try it. The same is true of beating down wages. There is probably not a man at work in the whole country for whose place another might not easily be found at lower pay. In every trade there is always a residuum of unemployed, but as their work will not answer they are outside of the margin, and their idleness does not endanger wages above them. Mr. Webb is greatly concerned, on the one hand, over price lowering forced by need on the garret master hawking his wares along Curtain Row, and, on the other hand, over price lowering yielded to by the state in producing without having to regard cost at all. He seems to think that even the unemployable, the defective, should be separated by the state, as their presence means "a disastrous lowering of pay for the entire wage earning class." ("Industrial Democracy," 787.)

fallacy must be further explained here, though at the risk of repeating somewhat from other chapters. It is "the same old serpent" of monopoly, the dragon that was stunned but not killed by Adam Smith, acting as St. George. The demand that the state waste the labor of prisoners, to give free men more employment, might be extended to encourage private loafing. It is not perceived that any kind of income—wages or profits, a good or a poor living—is chiefly a matter of product. The utmost reform in the distribution of wealth would not greatly change conditions. The more labor power is wasted in a state, the less its yearly product will be. With every person steadily employed in the work at which his product was the largest and most desired, there would be in the state the highest money wages, and the largest aggregate sums in profit, in interest, and in rent; the largest improvement in new houses, factories, and schools (new capital saved); the steadiest business and surest market (all able to buy), and hence the briskest demand for labor; the fastest accumulation of all property, reducing each person's share of taxes; and the most plentiful and best variety of useful things for everybody, and at the lowest prices. That is the ideal condition, unattainable of course, because many will not work, many cannot find the work they can do best, and employers often cannot tell which goods are wanted most.

The Welfare of Each Depends Upon Work by All. Going to the other extreme, anybody can see that if half the workers

The workers must be feeble bargainers indeed, and skill quite valueless. The employer without need, having a mine yielding ten times the profit rate of other mines, or having a bonanza factory, is the very one who, with good qualities and prompt delivery, gets the best prices. Some prison contractors now are actually selling higher than do competitors. But if prison goods were sold wastefully low—if their sellers were business incompetents, as is assumed in the agitation—they would soon have no effect on that demand they left unsupplied,—not only with prison product, as at present, an infinitesimal proportion of the total, but with prison product comprising nine-tenths of it. That part of the continuing supply costing most makes the price in dull times also. The one whose producing cost is least determines how far price can fall, but he lowers it no further than is necessary to sell all his product. When buyers go to another producer the latter knows that his product too is needed, and that market price is disconnected from the low price the rich competitor would descend to if demand were smaller.

in the state were idle, this half would have no income, and a poor living, coming from savings or charity. There would be none of the wages, profit, and interest previously obtained from their product, and the supply of useful things for all would be cut down by its amount. As the idle men would be getting nothing to buy with, the income of all others would be reduced by a terrible depression. If instead of being idle all these men were in a state army, the living furnished them by the state would be taxed from the half at work, while the living of each of the two sections, as well as total product, would be but half the full amount (not allowing for diminishing return from land and capital). If the idle half were not engaged as soldiers, they would still live on the other half, as dependent relatives or paupers.¹

¹**In Some Army-Ridden or Debt-Ridden Countries** the taxes actually take a quarter or a third of the year's crop or other product. The estimate for Italy is a full third. Removal of the military tax from German industry and consumption, if general peace permitted, would so add to net income from the same product that in producing it the soldiers and all might be employed at the old money wages, but fewer hours per day. What now supports the soldiers in taxes would then support them in wages. They all now live on the product, produced without help from the soldiers, and taxes so encroach on the money proceeds from product that wages are distressingly low. The government has nothing to draw on, to support its soldiers and officials, but its people's annual product. The German war chest is for emergency, not to live on year by year. The benefit from an army in making employment—set forth in the book of 1899, "Can We Disarm?"—was understood by the pioneer who had to station two sons with rifles to watch for Indians, while he and another son tried to raise a crop to maintain the family.

Competing and Patronizing. Use of money does not change the situation described in the text above. Producers have the goods they make, or other goods traded for, or money with which to buy other goods. All they have comes from their product, as truly as if there were no money and no exchange. If each man kept what he raised, without trading, and especially without use of the middle commodity, money, the whole matter would be plain to the dullest person. The idleness of one man benefits another who gets his job, but takes work from men in every industry whose product the idle man must then cease buying. If he had kept his job, and the other man had secured additional work, the total market and work of all others would have been increased by the amount of the latter's wages. Only by competing with the others in working, can a man patronize others in buying. He competes with a few men in one trade, but patronizes many men in

How Government Expense Falls on Wage Workers. Thus it would work, in the same proportion, if 800 prisoners were idle, or employed on something not wanted if bought with money. What they failed to earn for their own support would then come from taxation. And so it is with one useless clerk in the state's service, who adds nothing to total product. The fact that his \$900 salary is a small part of several millions spent by the state annually, does not prevent the piling up of what in many a state or city is an aggregate yearly waste of many thousands composed of small sums. That \$900 taken in ten-dollar reductions from the taxes of ninety farmers would in many cases so encourage one that he would spend \$30 additional next year in wages, and add enough energy to his farming to increase his product by \$150. Taxation, because its increase falls on each citizen in small sums, is not an inexhaustible mine. When the many who pay taxes notice that the money is spent wastefully with the few who receive it, business is weakened by a feeling of injustice and discouragement, and by desire to join the favored few. The wage worker, too, it has been said, is the most heavily taxed of all, though he makes no direct payment to the tax collector. He pays taxes in prices raised by the tariff, and in the net effect of all governmental or societal evil to raise prices by making things scarce, and hence to lessen employment for labor to produce them. When from excessive taxation, or other reason, business results are unsatisfactory, the first thought of the typical employer is to lay off men, or harden his effort to decrease the wages paid and increase the work done. In

many trades. Under civilized division of labor and exchange, one person, in order to live, must be willing to let live, and among his competitors as well as his customers. His customers are able to buy of him, partly because his competitors buy of them. In society's growing wants, a wage worker competing for employment will not, unless men helplessly cling to their jobs, lower wages in his own trade below the level in other trades for the same grade or work. The nearer everybody comes to working at his best, the richer the society, and the larger its demand for goods and for labor to make them. The best place to sell goods, and to get employment, is not where the men loaf around the stores, apparently leaving the jobs for newcomers, but where every job is eagerly taken. Demand for labor makes a town busy, but its busy condition, giving all plenty to spend, makes the demand for labor still greater.

France the estimate is, that in time spent in the army, and in prices raised by tariff and internal taxes, wage workers pay in taxation a full fifth of the income of their working life—twenty cents out of every dollar.¹

¹But the State is the Most Important of all Institutions in society, so necessary to secure the justice required for production that without government in some form the lowest tribe would starve within a year, or dwindle to a few of the strongest. To fulfill its functions with best results, in promoting largest production of goods and services, with greatest well-being and progress, the state and local government should have the best man in each office, well paid, diligently earning his salary but not overworked, and enough such men to perform well all that it seems the state ought to do. Efforts by all others to obtain state positions, though of some educational value to them (even swindling is highly educational), cause them to neglect their business, reducing product, and tend to increase the number of useless public employees. Office seeking, with the scheming involved, though unavoidable to some extent, is an evil when many persons engage in it. Philosophers object to calling government a necessary evil, because, like working and dying, it is an important factor in the processes of nature, and because, as stated above, the necessity for it makes it the greatest good. But while a government ought to do all that it can do with permanently best results for its people, it is clear that as drudging and dying are kept to the minimum, so ought the government burden, and also because too much governing is as bad or worse than too little. The less of such a burden is required, the smaller is its tax on the people's product—the fewer of them are taken from adding to the product and turned to subtracting from it.

The Experience of France. M. Desmoulins, in a notable book published about the year 1898, shows that one reason for lack of progress in France, besides the practice of waiting to be helped with an inheritance and a dowry, is the general desire of Frenchmen to get positions with the government (which, except in its tobacco factories and navy yards, directly produces nothing), instead of to engage in business, to develop resources, and to make wealth for themselves and their country. The rapid progress of the Americans and the English he traces to their habit of each person's going ahead for himself, without relying on the government. But in France, despite the people's industry and frugality, feeding at the public crib has seriously depleted the ranks of those engaged in its replenishing. Trade is not growing; the national debt has increased by \$1,800,000,000 in twenty-five years of peace, being now \$6,000,000,000, much the largest in the world, and the deficit has lately been about \$25,000,000 a year, with everything taxed so closely that more can scarcely be raised. These are facts to compare with those concerning Australia (page 340). Managing and book-keeping are essential, but in a factory they must not employ many of the force. Such is the case with a nation's governing. It was partly because of the division of Kentucky into too many counties (132) that contests over

Why the Cause of Labor is Retarded. Besides violence in strikes, it is largely because of their connection with small selfish schemes—agitation against convict and contract labor, and agitation to induce the government to start enterprises in which by political influence they can hire themselves with public money—that workingmen are only half armed in their struggle to gain from the capitalistic class all that is yet wrongly withheld. It is not enough to be the under dog. If the weaker party were always right, then the strongest nation, the United States, must be wrong every time in a contest of war or diplomacy. It is only on grounds of right that the laboring classes can hope to secure real concessions. Unlike corporations, they cannot spend tens of thousands in employing the ablest lawyers to lobby in the legislature for or against proposed laws, or to present doubtful schemes to the public in the shrewdest way to win support. They cannot give free passes to men of influence; nor can they win favor with superior railway service, with great business-making industries, or with princely gifts to colleges. Working people cannot well buy or force the granting of legislative favors that will prove effective. They cannot compete with the other side in such methods. Their patronage is not the most profitable or desirable, and the promises given for their votes are likely to prove evasive or deceptive when their demands are for unworkable measures. Besides, a man who abjectly surrenders his own convictions to get votes is not the safest to depend on.

Those Workingmen and Farmers who have engaged in agitation for unsound favors, if they were to unite with the large class who have no political desire but the welfare of all, could probably bring about, by clearly defined demand of the parties, the abolition of a number of monopolistic privileges now enjoyed by the rich at the expense of all others. The corporations, whose wealth and ability will always secure for them the lion's share in a contest for favors, cannot be expected to cease controlling legislatures in their own interest so long as unwise and unjust laws against them are continually being proposed. It is not altogether the fault of corporations that petty offices absorbed too much of the local ability, leading to feuds and consequent danger to all, until getting a living by raising and making things has sunk in some counties to a low ebb.

they maintain a powerful lobby to watch the legislature, and that by raising prices they charge back on the people the lobby expenses. In some sessions, perhaps, the corporations do wrong, by urging bad legislation, less often than their opponents, whose persistent attacks the lobby is employed to guard against. Where money is corruptly used by corporations it is often to meet these attacks, sometimes made by unscrupulous legislators for the very purpose of being bought off. If the laboring and farming classes were more nearly free from blame themselves, and were intelligently active to secure their own rights while helping to promote exact justice for all, there might be an overwhelming majority of right-minded public opinion, before which corporate aggression would soon cease to be a menace. Since most of the people, workingmen and farmers included, honestly desire to support the right, a little more intelligence, to enable them to perceive it, would go far in removing public abuses. It is for the majority to say when abuses shall cease. Legislatures and city councils are just what the people make them.

CHAPTER XXVII

CONCILIATION, ARBITRATION, AND COLLECTIVE BARGAINING

To Prevent the Frequent Loss of Millions of Dollars by strikes and lockouts, not only employers and wage workers, but society as a whole, may well make arduous efforts. These losses include, besides wages and profits given up during the strike and not secured later, the wages and profits of many who furnish supplies to the concern involved and to its employees. Railroad men to the number of 25,000 had to be laid off by the end of the first ten days of the anthracite coal strike of 1902, because shipments from and to the coal mines had ceased. The losses include also sometimes the wages and profits of industries that depend upon the idle concerns for materials to operate upon, and include sometimes heavy expense to the state or county for troops, and deputy sheriffs, as well as damage to mines from filling with water. In the coal strike mentioned the lack of fuel not only closed many factories for a time, and damaged cities by necessitating the use of dirty soft coal, but by curtailing total supply the strike brought on a fuel famine, increasing cost to the people of the winter's fuel by tens of millions of dollars, and causing among the poor much suffering from cold. The dread of a large strike, and of its paralyzing effect on consumption of goods by the people involved, is shown in its tendency to check business in many lines, and over a wide area. Sometimes much of the business of a concern closed by a strike is taken by competitors and never recovered; and sometimes a concern struck against is bankrupted, or a shop is closed by transfer of its business to other shops of the same employer. Suffering from want is occasionally endured by strikers and their families, and loss of position often comes to many in case of a strike's failure. Ill feeling between employer and work people mars local peace, fans class antagonism, and lessens the

amount of wealth produced. The country would be richer and happier if there were no strikes or lockouts.

But Peace Secured by Habitually Giving Way to injustice on either side could not be thought of. The loss in independent manhood with workers, in righteousness of character with employers, and eventually in production of wealth, would then far outweigh, to the persons directly concerned and to society, the present losses from discord. Peace, to be desirable, must be based on justice to all. With a working class unable in mind and will to strike, modern industry and democracy could not continue; while an employer who granted demands indiscriminately would soon disappear from business, and if many employers did so industry would break down and anarchy set in. Additional wages gained by a strike may not only overbalance in a few years the strike losses to the workmen, but for the indefinite future the strike may secure the higher wages to these, may enable other men of the same trade to get such an advance without striking, and may similarly benefit men in separate trades, besides the benefit from such success to character. An employer may get and cause net gain of the same kinds by successfully resisting a strike.

That No Strike Results in Net Loss to the working class is believed by some persons. This seems to be very nearly true, so long as employers do not sink to the yielding mood which would make the success of unjust strikes calamitous to society, in opening the way to decline of industry, and to rise of anarchy or despotism. The belief seems about true also of strike failures, to which alone it is usually meant to refer. Those taking the vacated places better their condition. The loss to the employer, though he wins, will prevent him and others from risking future strikes by resisting just demands. Business lost to other employers makes new positions for defeated strikers.¹ Building delayed prolongs the active season,

¹In the coal strike of 1902 the decrease of output by \$46,000,000 was only partially a loss, under the increase later and rising price, with the keeping underground of coal approaching exhaustion. Most of what the railways lost in freight, \$28,000,000, will come to them later. The decrease of \$25,000,000 in total wages was not all loss to men losing nearly a third of each year in idleness. Chicago's loss of a million dollars a day in the freight handlers' strike of 1902 was chiefly gained by merchants elsewhere. The

or if it is abandoned because the boom has passed there may be less over-investment and more free capital for production needed, though on the contrary there may be lasting loss from failure to take advantage of the tide in the affairs of men. The strikers and other workers learn to avoid the causes of the failure; while the loss of positions may be largely balanced by securing places that are better, and by the increase of capacity to move and find work. Owing to need for most of these effects, strikes that fail are less to be regretted than other calamities that finally result in good. Strikes and lockouts are therefore desirable until a more peaceable method has been established for settling disputes without weak surrender by either side to injustice. The money losses stated in the note below,¹ doubtless reduced materially by a strike's effect to lessen

case was similar with the Burlington's fall of net earnings from \$11,478,165 to \$4,906,707, mainly by reason of its engineers' strike of 1888, unionism's loss being that it was excluded from the road until lately (p. 544); but it is said that most of the Burlington engineers are in the brotherhood now. The thirty-week strike (a failure) in 1897 of the British machinists' union cost it \$1,104,695 from its funds, and cost it the opening of all shops to non-unionists.

¹Statistics of Strikes in the United States, in the twenty years ending with 1900, were given by Carroll D. Wright, United States Commissioner of Labor, in the *North American Review* for June, 1902, his figures being taken from the labor department report of 1901. The number of strikes was 22,793; establishments affected, 117,509; employees idle, 6,105,694; average number of days idle, 24; loss in wages, \$257,836,478; loss to employers, \$122,731,121; assistance given to strikers by labor unions, \$16,174,793; strikes succeeding, 51 per cent; strikes succeeding partly, 13 per cent; strikes failing, 36 per cent. Of all the strikes 63 per cent were declared by permanent unions, the remainder by men uniting temporarily, the percentage of success being larger with the former. Lockouts by employers numbered 1,005 in 9,933 establishments, with wage loss \$48,819,745, employers' loss \$19,927,983, and assistance from unions to idle men \$3,451,461; of these lockouts 51 per cent succeeded, 6 per cent succeeded partly, and 43 per cent failed. Of the strikes 72 per cent were in six industries, the building trades having most, followed in order by the coal, metal, clothing, tobacco, and transportation industries. As to causes of strikes, 29 per cent, in number of establishments, were for increase of wages, 11 per cent for this and reduction of hours, 11 per cent for reduction of hours alone, 7 per cent against reduction of wages (less successful than for increase, owing to declining demand), 3.47 per cent. were in sympathy with strikes elsewhere, 2.34 against non-unionists, 1.40 for recognition of union, .91 for enforcement of

later slackness of work, would not carry on for a single year a war of much consequence. The good effects of strikes seem therefore to cost very much less in money than the good effects of war, and with other costs certainly not greater. Both war and strikes should be avoided as far as possible, but not by surrenders far more calamitous.

State Boards of Conciliation and Arbitration, now established in a number of states, and in foreign lands, are doubtless a wise means to be provided by law for securing to the public the great advantage of just industrial peace. Most of the labor troubles could be avoided if the parties on both sides were less suspicious and less hostile in attitude, less peremptory in demands, more reasonable, and hence more ready to admit just contentions. Seldom does either side consciously desire to wrong the other, or even to retaliate. The main source of trouble is unwillingness to view the question from both sides, as every question must be viewed to be decided rightly.¹ Both union rules, .74 for reinstatement of men discharged. Occasionally men go on strike because the employer refuses to withhold from a man's wages a union fine or assessment.

British strikes and lockouts together in 1898 numbered 711; strikers idle and men locked out, 200,769; other employees left idle, 53,138; total of working days lost, 15,289,478. In 1897 (the year of the machinists' strike) the days lost were 10,345,523, and in 1901 they were 4,142,287. In no other year since 1895 have the days lost numbered 4,000,000, though the number of disputes in 1896 was 926. Germany had 1,056 strikes and lockouts in 1901, and France 902.

¹**What Demand is Just?** Employees are at fault when their demand for higher pay, per hour or per piece, encroaches on the marginal employer's necessary profits under prevailing industrial conditions, and when demand for their labor is not sufficient to admit of raising the margin to employers able to pay more. Without a prospect of rising prices, or a readiness to balance higher wages by investing in better machinery, the marginal employer would then suspend, and leave his men idle, rather than grant the demand. He himself may be at fault because he does not frankly prove to them, by showing his books without dissembling or withholding, how low his profits are. Desire for too much profit may be less a fault with him than proud unwillingness to explain. If not reliably informed as to profits, workmen can only estimate and guess. They must consider profits in some way if they are really to do their part in the bargaining. Reasonableness with them might make the employer reasonable too, and vice versa. As wages are paid in advance when profit is not yet known, the employer is properly guided by the lowest average likely to be realized. No more per-

view points must of course be taken by society. Its highest interest is eventually the highest interest of all the persons concerned directly. Their interests are antagonistic, in that the larger is the share of one side the smaller is the remainder for the other; but are reciprocal in that for either side continuance of a desirable contract depends upon justice toward and contentment in the other. The interests of both sides are identical in obtaining, from mutual coöperation and from the various other causes, prosperous conditions for their industry. In pointing out, as disinterested third parties representing the public, the fair and proper course to take, a state board of conciliation,

haps than safety requires does the probability of gaining more over-balance the risk of gaining less. If the employer is running at a loss, his business cannot be taken as the basis for the union rate of a town having other employers doing better. It is upon the average employer that this rate is based. If an employer gets large profit, from a mine, a patent, or a business well established, a demand cannot be based on his case, since what he could afford to pay would close out the employers below him. If the marginal or average employer's profit rate (apparently to last some time) permits an increase of pay, workmen are justified in demanding it, though men of their grade in other trades cannot get a similar increase. By such steps higher pay is established. The good work required under it will hold it against inflow of new men. If the marginal employer, though his profit be high, can get suitable men for less than the usual pay of his trade, he has a right to lower it. Inflow of capital into building and enlarging plants then benefits new men employed, perhaps raising their pay above what they earned in other trades, and lowers price to consumers. As to demanding more pay because the rate is below a living wage, a favorite reason in some British trades, see pages 144, 330, 432.

Conciliators and Arbitrators Consider the employer's profit rate on a proper valuation for his business, the profits earned and wages paid by employers competing with him, the cost of living as fixing real wages, the real and money wages for the same work in other towns and for similar work in other trades, and from these facts decide whether the product market justifies the increased pay with the employer, and whether the labor market justifies its receipt and retention by the employees. Arbitrators do not make an award that would stop a weak employer's business, or would stop in a town an industry unfitted to compete at equal wages with other places. In such cases it is for the workers to decide individually whether to accept the low pay or to go elsewhere for better. Too often the award of arbitrators is reached by such a splitting of differences as will secure agreement, without attempt to carry out fully the difficult task of finding and securing acceptance of exactly what is right under all the market conditions prevailing.

composed of suitable men, can often remove a trouble about to break out, or by inducing the parties to meet can effect a settlement of a strike before its losses have become serious. The general duty of state boards is to keep informed of labor disputes, and to promptly offer their services toward settlement, or at least to be ready to serve when requested. In some of the states where strikes take place, action by these boards has been infrequent and unimportant, and in several of them the law creating a board has been a dead letter. The Massachusetts board has been active and successful in mediation—in bringing about mutual agreement prior to or soon after the breaking out of a strike, before the parties have become stubborn and embittered. The same may be said of the board of New York, and to a less extent of the boards of Indiana and Illinois. In many cases, however, the board's mediation is ineffective, and in many cases it is wholly declined by the employer.¹ In their other duty of arbitrating a dispute when voluntarily submitted to them by agreement of the two parties, state boards have accomplished very little. Cases are seldom submitted to them, though sometimes their mediation leads to arbitration by a special board agreed upon for the case. It is not uncommon for the two parties themselves, without mediation by a board, to choose as arbitrators several mutually acceptable men, and abide by their decision. Such a board of arbitrators has in Massachusetts the same powers as the regular state board to summon witnesses and compel them to produce ac-

¹The Massachusetts board, from 1894 to 1900, acted in 232 disputes, mostly small cases of interpretation of a general wage agreement. It formally arbitrated in 54 cases, with but one refusal to abide by the decision, investigated and publicly reported in 6 cases, and mediated successfully in 72, leaving 106 in which no particular results followed its intervention. Many requests for its intervention came from employers. The New York board, 1894 to 1900, mediated successfully in 76 cases, unsuccessfully in 50, arbitrated in 5, and publicly reported in 18. The Illinois board arbitrated in 11 cases, with three refusals by workmen to accept the decision and one refusal by an employer.

Massachusetts and New York each established its conciliation board in 1886. About two dozen other states have followed their example. Such boards now exist in most of the industrial countries. England's previously existing laws providing for arbitration had been little used. Massachusetts, in 1869, was first in the world to establish a bureau of labor statistics. She has been followed by about thirty states, and by many foreign countries.

counts of wages and prices. But unfortunately, a strike or lockout, when once well started, is in many or most cases fought out, until by yielding to the demands of one or the other side, or by compromise, each side conceding something, that settlement is effected which seems to be the best in reach.¹

¹Reasons for Asking or Declining Arbitration. Naturally the employer, except in the few cases where his men are wholly in the wrong, would rather be forced with strike power to grant their demand, in which case the justice of his resistance would not be passed upon by a public body, than to have their demand officially sanctioned by a board of arbitration. When he expects success in his resistance he has little need for arbitration himself. Hence, most frequently the employer's main objection to submitting a case to arbitration is probably the desire to maintain secrecy in his business, which desire, though proper as regards his competitors, and partly excusable by reason of his long freedom in this respect, is questionable as regards disapproval of his contention by a board sworn not to reveal information. Unless public opinion is influenced too much by sentiment for workingmen, and not enough by principles of sound business, there is ground for a belief that the autocratic bearing of many employers, in refusing to arbitrate or reason, hides conditions that would not bear investigation, and is intended to maintain those conditions by keeping down trade unionism. The employees it seems, in nearly all the important cases that have broken out into strikes, ask for arbitration, without apparent regard to their chances of winning without it, and promise to obey the award. Perhaps the fact of the employer's not granting their demand without a strike is generally an indication that their winning without arbitration is doubtful, and perhaps their willingness to submit to arbitration is evidence of a basis in truth for what seems to be a widespread belief among other classes, that the general public are more ready to be just to workers than to employers. Furthermore, though the employees' contention as a whole be weak, they are generally sure of being awarded in arbitration some concession to conciliate them. In many an industry paying all that marginal profits can spare, making the low wages of the employees public would awaken sympathy and favor. This fact is a sound objection to arbitration.

Unionism, Where it is Strong, Objects to Arbitration, on the same questionable grounds that prevail with employers, though the proportion of unionists in this position is much smaller. Whenever the union, by excluding apprentices and outside men, gets monopoly power, it naturally prefers to dictate, being sure of gaining any demands not grossly unreasonable, instead of having its high-handed or questionable methods made public by arbitration, and of risking an award unfavorable. Both in England and America there are many local unions with monopoly power in the building and glass trades, and also now in a number of other trades. In the hundreds of small sympathetic strikes by which building work in cities is ruled despotically, arbitration by outsiders would not be acceptable to the workers.

Voluntary Public Effort to Conciliate the two parties in a strike or lockout has now become the rule when many workmen are involved. The local public, through its men of influence, usually acting with the state board where one exists, properly makes such effort to avoid injury to itself, in the bitterness aroused by a strike, in the suffering of workmen's families, and in the stopping of traffic and consequent loss in many lines of business. Mayors of cities, as officials responsible for peace and welfare, have become active in attempts to induce the parties to meet for conciliation. Prominent local clergymen, and others possessing the confidence of both sides, willingly serve on mediation or arbitration committees. In Massachusetts by law it is the duty of a mayor to notify the state board of any important labor trouble in his locality. Confidence of both sides in Governor Crane of Massachusetts enabled him to effect an agreement in the large strike of teamsters and freight handlers at Boston in 1902. Such men of national reputation as Bishop Potter of New York, and Archbishop Ireland of St. Paul, are sometimes mentioned in suggestions for arbitration of strikes of national importance.¹ In some instances political

Moreover, any trade having wages very high, even though fully just, is not likely to gain by outside arbitration. Such assistance in wage bargaining is rightly felt by the public to be due to those needing an uplift, not to men securing large pay with their own economic power. A stonecutter told the Industrial Commission that in his trade arbitration had proved unsatisfactory; and in 1903 a demand of New York printers for increase of their \$27 a week was rejected by arbitrators.

The suspension by strikes, during the summer of 1903, of much of the building work in New York city, was mainly due to long refusal by a half dozen trades to follow the larger number of trades in accepting the employers' proposal for arbitrating disputes, and for largely curtailing the power of walking delegates and limiting resort to sympathetic strikes. Naturally this opposition to arbitration was led by a walking delegate whose local union, that of house smiths, giving him almost absolute power, had raised its wages in five years from \$2.50 to \$4.50 per day, who is said to have called a thousand strikes, and whose union enthusiastically supported him when for his actions it was suspended by the international president, and voted to continue his salary of \$48 a week in prison when he was sentenced to serve three years for extortion of bribes from employers. From this sentence he was released for a new trial, but his conviction is expected to result from the evidence in several other cases.

¹Public Intervention in the Coal Strike. Bishop Spalding of Peoria,

leaders have successfully used their great influence to settle a strike that hindered the party's chances in an election. This was done in the anthracite coal strike of 1900, occurring during the presidential campaign.

and a federal judge, an army engineer, a mining engineer, a sociologist, and a local coal expert (all but the first being in the five occupations designated by the employers in their offer to accept arbitration), were selected by President Roosevelt, adding also C. D. Wright to be recorder, as the commission that settled the anthracite coal strike of 1902. It took during five months, from over 500 witnesses, probably 10,000 pages of testimony. To agree to arbitration the employers were constrained by public opinion's unprecedented pressure, notably in resolutions by religious and civil bodies calling for arbitration, or even for government coal mining—a pressure rising from the unreasoning effort of the employers to suppress the unions by refusing to deal with them, and from the imminence of serious suffering in a fuel famine during winter. Owing to the culpability of the employing monopoly, and to the fact that by state law only the certificated miners on strike could do the work, the arbitration was not a surrender by employers and the people to the duress of the strikers' terrible boycotting and violence (page 214), and the employers were not justifiably resisting an effort by the union to shut out non-unionists. Early in the five months of the strike the New York Board of Trade, the business of that city being injured by lack of fuel and otherwise, requested President Roosevelt to intervene in conciliation, but as the federal law he was to act under (the law used in 1894) had been repealed he had no power to intervene officially further than to direct Labor Commissioner Wright to investigate and report, under some little used provisions of the labor department and inter-state commerce laws. As the strike continued after Mr. Wright's report, without indication of the least compromise by the employers, and with such bitterness that Pennsylvania's troops called out numbered at last 10,000, President Roosevelt, taking the crisis to be one requiring action without the sanction of precedent, applied unofficially his influence as the head of the nation, and as representing aroused public opinion, and, by calling two meetings of employers and strike officials at the White House, induced the employers, after one refusal (and after J. P. Morgan as controlling owner had counseled them with some authority), to accept arbitration as the strikers had desired from the beginning. The strikers returned to work at once, in October, the commission's award, to affect all work after November 1, being rendered in March. To a large extent the demands of the strikers were allowed.

A few weeks after President Roosevelt's action, President Loubet of France intervened similarly in a strike of coal miners in his country, but there many of the miners repudiated the award. Nine years before in England Mr. Gladstone as Premier, together with the labor department, ended by mediation, at the beginning of winter, a coal mining strike that threatened grave suffering among the people and grave injury to industry.

The Civic Federation. The most far-reaching plan ever carried out voluntarily by private citizens for settling labor disputes is that of the National Civic Federation, a philanthropic and public welfare society, in whose object of removing evils and promoting progress labor peace has properly an important place. Its committee of twelve on conciliation, after an active and successful existence of a year as a permanent body offering friendly mediation in important strikes anywhere in the country, was enlarged, by a notable conciliation convention at New York in December, 1901, to a membership of thirty-six, divided equally among labor leaders, prominent employers, and representatives of the public. The latter include Ex-President Cleveland, Bishop Potter, and President Eliot of Harvard University. The employers include Senator Hanna, and President Ripley of the Santa Fe railroad. The labor leaders are President Gompers of the American Federation, and the national presidents of some of the principal unions. At this convention, and at two others held within the previous twelve months, men of national prominence, representing the three parties to every labor dispute, expressed belief in the need and practicability of doing away with most of the present industrial discord. In a sub-committee of the thirty-six, offering to assist at friendly mediation in each important dispute as it occurs, or at selecting men for its arbitration, the federation has apparently been becoming, with both workmen and employers, an established institution. In January, 1902, it was instrumental in averting a large strike of garment workers, and in March following its secretary, Ralph M. Easley, assisted in the negotiations that led to a settlement through Governor Crane of the teamsters' strike at Boston.¹

¹**An Active and Useful Body.** For spreading the knowledge necessary to lasting industrial peace and progress it holds conventions, has specialists investigate such subjects as trade union restriction of output, and publishes reports and a monthly journal, its main effort being to promote the formation of trade agreements. Its mediation (over a hundred cases so far, in only one of which it has been asked to arbitrate) is chiefly private, consisting in bringing about a meeting of the two parties. For this it is well fitted, reaching corporations through its many influential supporters. In the steel and coal strikes, it checked the feeling toward sympathetic strikes by enlisting the aid of labor leaders and holding conferences in trade centers. It has just formed local branches in several large cities, and will do so in others.

The Joint Board of Conciliation and Arbitration for a single trade, in a city or district, composed of several employers and of an equal number of workmen, was introduced into England in 1859 (adapted from French experience), by A. J. Mundella, a hosiery manufacturer of Nottingham, and later was introduced in a somewhat different form by Rupert Kettle, a lawyer, into the iron trades of Wolverhampton, provision being made by the latter for a referee, whose decision, by previous agreement, was binding (in honor at least, if no forfeit money was put up) in case the board failed to agree. This plan of collectively agreeing in advance on wages, and more generally of preventing or settling disputes by interpreting the wage agreement, has worked very successfully in the two cities named, preserving unbroken peace for many years at a time, and removing in Nottingham discord that had become almost unbearable. Joint boards of this kind, established on a large scale about the year 1870 in the North of England iron trades, and in the Durham coal districts, have preserved harmony, rarely broken, down to the present time, and have spread in some form to most of the well unionized industries and districts of Great Britain. In America success similarly encouraging has been attained for some years in the shoe industry, in the masonry trades at some cities, in the several large industries described further on under collective bargaining, and recently in hundreds of written agreements with the local unions of many trades.¹ A joint committee, composed partly of employees and partly of men in the firm, is sometimes formed within a single factory, especially to consider and adjust small disputes. These boards are numerous and successful in

In each of about twenty British cities there is a local mediation board, usually in connection with the local board of trade.

¹A complete account of conciliation and arbitration in different lands and trades, each of thirty American trades being treated separately, is given by the Industrial Commission, 1901, in Vol. XVII., and much matter concerning the subject appears in the other volumes. The New York board's report for 1901 contains all the American arbitration laws, and many from foreign lands, especially those of Australasia. *U. S. Labor Bulletin* Nos. 8 and 28 give good brief accounts of joint committees in England and America, and of the other method (followed in the British cotton and the American bar iron and coal trades) in which one agent chosen by the employers, and one by the union, go together to settle small disputes by interpreting the signed agreement.

France, and have been notably successful in a few cases in America, among them being the New York cigar factory of Straiton & Storm, in which cordial relations have been maintained for many years at a time.

Compulsory Arbitration, based on a law not inviting but requiring the disputants to submit their case to a state board, and also to abide by its decision, whatever that may be, was recommended by a few American writers at the time of the many violent strikes between 1889 and 1895, and by Mr. Lloyd and a few others during the two years following 1899; and since the coal strike of 1902 compulsory arbitration in some form has been recommended by several state governors, by one or two influential economists, and by dozens of lesser writers.¹

Articles Favoring Compulsory Arbitration: Rev. Dr. Lyman Abbott and Rabbi Schindler, *Arena*, 1892-3; Rev. Dr. Wayland, *Social Science Journal*, meeting of 1893; John Handiboe and J. A. Hobson, *N. A. Review*, 1902. The compulsory arbitration system of New Zealand is strongly indorsed by H. D. Lloyd, in his two books "A Country Without Strikes" and "Newest England," written after his visit to Australasia in 1899, and by him and H. H. Lusk of New Zealand in different magazines of 1901-2. A complete account of all the Australasian arbitration laws is given, and compulsion is favored, by H. W. Macrosty in *Political Science Quarterly*, March, 1903. In this journal of the previous December Prof. J. B. Clark recommends arbitration with some compulsory features.

Articles opposing compulsory arbitration: C. D. Wright, *Forum*, 1893; Chester Allen, *Arena*, 1893; W. Macarthur, *Forum*, 1901; Samuel Gompers, pamphlets of the American Federation of Labor. Articles on both sides of the question are printed in the book "Labor and Capital," Putnam, 1902, and opinions on both sides are quoted by the Industrial Commission, Vol. XVII.

New Zealand's Compulsory Arbitration Law seems quite successful when not studied too deeply, having been widened repeatedly until it now applies to any manual or clerical work for hire. During its first six years 106 cases came before the district boards of conciliation (composed equally of employers and workmen serving three years), which have no power to enforce awards. Their finding was accepted in only 31 of these cases, the remaining 75 being carried up to the one arbitration court for the whole country, composed of one member appointed by the governor for three years from nominees of employers, and of one appointed from nominees of workmen, with a presiding judge from the supreme court. Before this arbitration court 57 cases were brought directly, to avoid delay in the conciliation boards. Of the 163 cases tried by the court only 12 came up again for enforcement, in 6 of which the application was denied, but in the other 6, violation of the award being clearly proved, the court applied its penalties,

Compulsory arbitration laws, the first attempts of the kind since the fixing of wages by magistrates fell into disuse in the eighteenth century, were enacted ten years ago in Australasia, the

which may consist only of money payments, not to exceed £500 against an employer when acting alone, a labor union, or an employers' union. All of a union's property may be taken, including that held by trustees. Members of a labor or employers' union are also individually liable to the amount of £10. Up to 1901 all applications but one for enforcement were against employers, and it is believed other applications have not been made for fear of discharge of the informing workman. Hence, by amendment enforcement will probably be committed to the factory inspector. The largest penalty yet imposed was £25; in no case has an award been materially defied—never by workmen to the extent of penalty, though they have been displeased at a few awards, and have then purposely worked slowly. The compulsion to submit a dispute to the board or to the court is usually applied by labor unions and by employers' unions, but in an unorganized trade seven workmen (or employers) may register as a union, and may compel a single employer, who singly may compel any of his employees so organized. As the court's award for the seven is necessarily applied to the men of competing employers, no trade or a community (or of the whole country when all sections compete) can avoid coming under the compulsion when seven workers desire it. In this way an employer refusing to hire organized men may be reached. The award does not compel employer or employee to continue work; the compulsion is that if they *do* continue in the business they must obey the award of the court—to be in force not exceeding two years (and afterwards since 1901 until a new award is made). Quitting by workmen one at a time, without preconcerted plan to resist an award, is always permissible. A trade in which employers and workmen mutually agree not to come under the law, or agree to withdraw from it or not to use it, may strike and lock out, but no others. Perhaps there might be a question in some cases as to whether men were striking, or were idle in hesitation whether to leave the business or not. In trades not under the law there have been seven strikes since it went into effect, involving in all not over 300 workers. One strike brought a loss of £2,000 on the employer. Many workmen have not yet put themselves under the law by registering as unions; and even in trades placed under the law the penalties against striking and locking out apply only where the dispute has been referred to the board or court. Both sides may agree not to refer it. Advantage of the law was taken gradually, no cases arising during its first year; but since the amendment of 1901 many additional trades have organized on both sides, and the arbitration court has been overburdened with cases, despite its power not to consider those which are trivial. Many employers, but far from all, are pleased with the system, largely because it holds all competitors to the same wages and hours, and settles these so that risk is removed from calculations. The labor laws of Australia are described in detail in *U. S. Labor Bulletin*

world's experiment station in government. The first and most noted of these laws is that of New Zealand, enacted in 1894. Victoria enacted in 1896 a law that placed under compulsory

Nos. 33 and 40. The latter contains a report from a New South Wales judge sent to New Zealand to study the effects of its arbitration laws. The figures above are taken mainly from an article by H. D. Lloyd, summarized in *Public Opinion*, Aug. 29, 1901.

Compulsory Arbitration in New South Wales. Under the law of this colony there are no conciliation boards. These have proved almost a failure in New Zealand, not having such members as the supreme court judge who presides over the arbitration court. A majority of a trade in a locality, not simply seven workmen, are necessary to form a union and come under the New South Wales law. In New Zealand labor disputes have greatly increased, because it is now easy to have them settled, and because agitators have induced trades to take advantage of the law. It is for these reasons that the arbitration court is overburdened with business. The effects of the New Zealand law have gone far beyond the intentions, since "it is used as a means of fixing the wages and general conditions of labor in many industries, and, without doubt, will eventually be so used in all." The New South Wales act is boldest and most original in imposing a fine of not over £1,000, or not over two months' imprisonment, on any one who, before a reasonable time has elapsed for referring a dispute to the arbitration court, or during pendency of proceedings, strikes or locks out, suspends operations or leaves employment without good reason, or instigates or aids such acts. By this provision no person at all may strike or lock out before an award, whether or not he belongs to a union of workmen or of employers; nor may he do so after an award, it would seem, under its compulsory force. Unlike New Zealand, where no official has charge of the workings of the act, New South Wales has a registrar, who may refer to the court any cases in trades in which only one side, or neither side, has formed an industrial union. This provision will prevent evasion of the act by any means except influencing the registrar, or withholding knowledge from him. The penalty for disregarding an award or order is not to exceed £500 for a union of either employers or employees, or for a person bound who is not a member of a union, or £5 for a union's individual member. The court specifies to whom the penalty is to be paid. The word fine is not used in this and the above paragraphs, because in most cases it seems that the penalty goes to the party damaged by the disobedience. This court, as the New Zealand court has done in many cases and down to very small matters, has power to fix a minimum wage and the number of apprentices, and to make many a regulation a common rule for all employers affected within a certain area, that competitors may be on an equal footing; also to require that unionists, other things being equal, must be employed in preference to others, though unions must admit all competent men, and keep fees and dues reasonable. An employer discharging a man because he belongs to a union, or is entitled to

control of separate boards each of six sweated industries, and in 1900 empowered the governor to extend the act to any trade that is subject to the factory laws. It has now been applied to thirty-eight trades in all. New South Wales enacted in 1901 a law patterned after that of New Zealand, but in some respects going further. The New Zealand act was copied in 1900 by Western Australia, and the Victoria act in 1900 by South Australia, which had had since 1894 a compulsory law that had never been effective.

Compulsory Features in American Arbitration Laws. The Texas law of 1895 provides that where the two parties in a dispute choose a board of five arbitrators, have them licensed by the county judge, and sign in advance a formal agreement,

the benefit of the court's order, is liable to a penalty of not over £20, and the burden is on the employer to prove that the discharge was for other reason. For revealing a trade secret of any witness or party, a member of the court is liable to a penalty of £500. Agreements between a trade union and an employer, or between unions on either side, may be enforced the same as an award of the court. A union's fines on its own members, and its dues, the court may order to be paid. From the court's decision there is no appeal. "It has a wider jurisdiction and greater powers than perhaps any other court in the British dominions." (See *U. S. Labor Bulletin* No. 40; and an article by an Australian in *The Independent*, July 31, 1902.) By a report in *American Federationist*, June, 1903, of the Australian trade union congress, the New South Wales act is proving objectionable to unionists, there being much litigation and unfriendly administration.

Under Victoria's Law the employer's fine for the first violation is £10, for the third £100, and for the fourth he loses his business license. Many of the later wage boards were applied for by employers, to fix uniform conditions for competitors, and many employers are pleased with the law; but some suspended for months to defy it, and some employees are dissatisfied. (Macrosty. See page 340.) By a long list of minute details as to minimum rates, piece work, "tea money," etc., this law takes care of people as if they were all children. (*Labor Bulletin* No. 38.) No doubt it will be remembered as a curiosity of legislation.

Only in Australasia, it seems, has compulsory arbitration been tried. Yet exception might be made of Austria, where industry has never known liberty. There it is unlawful to hire a man not having a government pass book, giving detailed information regarding him. State and guild arbitration boards, together with industrial and civil courts, make and compulsorily enforce decisions in disputes over the making and continuance of labor contracts as well as in those over breaking them. (*Labor Bulletin* No. 28.) There is some of the same compulsion under the German guild system.

the award "may be specifically enforced in equity, so far as the powers of a court of equity permit." By the Indiana law of 1899, parties agreeing in writing to submit a labor dispute to arbitration must obey the award or be subject, for contempt of court, to imposition of punishment by the circuit judge, who is to be the presiding member of the arbitration board; but punishment may not extend to imprisonment except in case of willful and contumacious disobedience. Pennsylvania's law of 1895 differs from those of all the other states in that arbitration may be forced upon one party by application of the other party, the decision of the board being "final and conclusive in all matters brought before it for judgment." This would be compulsory arbitration, and doubtless would not stand the test of the Constitution, since the award might require an employer by law to pay certain wages against his will or leave the business, which requirement could hardly be justified under the state's police power to guard the public welfare. The Missouri law of 1901 imposes a fine of \$50 to \$100, or not over six months' imprisonment, or both, on any one who violates the decision of the arbitration board; and arbitration may be forced by one party on the other, though the latter, within five days after the decision, may choose not to be bound by it. The Kansas law of 1899, declared unconstitutional, empowered a court of visitation, in case of a railway strike, to arbitrate the case, whether arbitration was desired, either by the company or its men, or by neither. To enforce its decree the court was empowered to put the railroad in charge of a receiver.¹ As under British acts of 1824 and 1872, so under the Texas, Indiana, and Missouri acts, and under the federal acts for railroads, enforcement of award, though it would perhaps be constitutional, is avoided by not agreeing to arbitration. The Pennsylvania act might be called a dead letter. The element of compulsion in all these American and British arbitration acts has had practically no effect.

Union Workmen are Opposed to Compulsory Arbitration in the United States, nearly as much so as employers are. It is regarded with general disfavor by British unionists also, except by those groping in the socialistic maze, who there, as

¹*Labor Bulletin* No. 26. *Indus. Com.* XVII.

in America, are a disturbing element in trade union conventions. In 1902 the British Trade Union Congress voted down by a decisive majority a compulsory arbitration resolution, though the vote in its favor was large. Representative American unionists are emphatic in their objection to giving up their right to strike. Only with it can workers pass collectively at any time on the desirableness of their conditions of labor, and choose collectively whether to continue under them. In this they are clinging to the principle on which courts refuse to enforce specifically a contract to labor, because compulsory labor is of the nature of slavery, and against public policy—is usually undesired by the employer also. Workmen fear that with shrewd legal counsel, or with the influence of his wealth, the employer would get the better of them in arbitration, and would hold them on terms unsatisfactory to them. The employer fears that workmen would hold him in the same way, through the effort of politicians and of local business men to please them.

Necessity of the Right to Strike. It seems reasonable and necessary that under one's own individual risk of consequences an employer or workman should object to being legally bound in advance with penalties to accept, or leave business, continuing conditions fixed by several men as an arbitration board. Compulsory arbitration is entirely different from the compulsion by an ordinary court of law.¹ A law court enforces, by exacting in money or goods, of those having property, the performance of past contracts; it has nothing to do with a contract yet to be entered into. But it is the latter that is disputed about in a strike or lockout; one party refuses to accept the other's offer. That degree of conflict must always remain, so long as a person is allowed to choose whether to contract or not—to buy or sell—so long in fact as contracting can be done at all. Peace need

¹It is simply in settling disputes over money alleged to be due in wages for work already done by an individual workman that compulsory power is exercised by the arbitration courts, or *conseils de prud'hommes*, existing in France for a century, and lately established in Switzerland. They consist of men chosen from both the employers and the workmen in a local trade, and, besides deciding minor matters of wages due, inspect factories and act as boards of conciliation. Their plan was partly followed by Mr. Mundella in introducing joint boards into England. (*U. S. Labor Bulletin* No. 25.)

not be broken if the state performs its duty of preserving order. That is enough for it—often more than it does. The parties themselves will attend to the contracting. It is the violence toward non-unionists, not the refusal of the strikers to work, that is a public injury, as is an ordinary fight in the streets. In contending for compulsion, the street fight is as unhappy an illustration as is the law court. The street fight is stopped by the police, but no inquiry is made as to whether one of the fighters ought to do what the other wants done. Without violence in a strike, work will be resumed, either by the strikers or by non-unionists, before the loss is serious, unless both parties, and including the non-unionists, consider the loss a lesser evil than submission on the terms proposed.¹ What loss and suffering is then incurred society must pay for the inestimable advantage of having men free to choose. When people become capable of leaving the tribal village and living under modern freedom of exchange, their own self-interest holds them best to the wise course. In fixing conditions the state does enough in its labor laws. By these, as some states have done, the freedom to make or break contracts it can reasonably restrict by prohibiting with criminal penalty an engineer from abandoning a train before reaching his destination, or a miner and

Strikes Drove Australia to Compulsion. A series of disastrous strikes, between 1889 and 1894, is given as the reason for enacting compulsory arbitration in Australia. The maritime strike spread until nearly all business on the continent was paralyzed. Later the Broken Hill gold miners' strike developed intense bitterness; a small army had to be sent from Sydney 1,300 miles to save the mining plant from destruction, and some of the agitators were imprisoned for long terms. In the sheep shearers' strike in Queensland there was great incendiarism and violence. The colliery strikes brought Newcastle to the verge of ruin. (*The Independent*, July 31, 1902.) But it will prove easier and better for the state simply to keep order than to manage private industries through an arbitration court. Workmen capable of such fearful striking ought to learn how to bargain without being imposed upon—assisted only with such factory laws as those of England and Massachusetts. Not a dollar above what reasonable union bargaining would secure will ever be gained for workmen in direct wages by all possible power of the state, that is not taken somewhere out of industry by injuring it, and with which more dollars are not thus taken also, to the net loss of all concerned, especially of the working class, besides the lessening of capability in character by taking away the bargaining and self-direction on which it mainly exists.

his employer from endangering men's safety by carrying out a contract to work over eight hours a day (p. 436).¹

¹Where Striking is Criminal. In Great Britain, whose laws are perhaps the most liberal in the world as to the right and motives of striking, willful quitting of work, singly or in combination, where the quitting breaks a time contract and is likely to expose life or property to serious injury, is punishable by £20 fine or three months' imprisonment. In a few other cases also it is criminal to leave work when one is under contract to continue. For quitting without giving notice, 317 striking coal miners at Doncaster were fined in 1902 \$30 each—that is, in newspaper reports the penalty was called a fine, but in this case it was doubtless an award of damages in a civil suit. A penalty of £2 imposed in 1903 on each of 385 Glamorganshire colliers was called a fine, but it was awarded as damages to an employer who sued men under contract for absence from work because of presence of non-unionists. But previous to 1867 in Great Britain, in all hiring of labor, breaking of the contract by the employee was criminal, and punishable with short imprisonment, though by reason of not making time contracts, and of non-enforcement, the law seemed, in the later years at least, to involve but little hardship. The employer, for breach on his side, was liable only to suit for damages—the case with both sides alike after 1867.

In New South Wales either party may be imprisoned 14 days if he has no property. Imprisonment for the laborer is still the rule in Austria, Russia, and some other Continental countries. By statute in New York it is criminal to willfully quit work, when under contract to continue, if the quitting exposes life or property to serious injury. In some states in the South it is criminal to break a contract for farming on the shares, since supplies are furnished the cropper in advance, and his leaving may involve the getting of goods under false pretenses—criminal everywhere. In all other American cases, since work against one's will approaches slavery and is against public policy, the employee, for breach of contract in refusing to work, is subject only to suit for damages—usually no remedy at all in his lack of property to attach; though on other grounds the New York criminal statute mentioned is largely in effect in the common law of other states, especially in such a case as that of a surgeon leaving his knife in a patient's body and demanding more pay.

For a Unionized Fire Department (there are some such now) to refuse to fight fire on the premises of an employer of scabs, would doubtless be, by common law, a criminal offense of some kind. The hiring contract, without mention of time, would imply continuance of service through such an emergency. An organizer's reported threat in Texas that unionized firemen would act thus was lately discountenanced in a published letter by President Gompers. In the British law referred to, making some striking criminal, employees of gas and water works are mentioned specifically. On these two services the public is more closely dependent than on railway and street car service. There are unions of gas works employees in America, but the question of their right to strike seems not to have risen.

Peace is Not Always the Great Desideratum. It was to bring a sword into the world that the Prince of Peace said he had come—to join with a man's enemies even those of his own

Sailors Are Compelled to continue, under American and British law, the labor contracted for, to the extent that, for desertion at a domestic port, they are imprisoned and delivered to the ship on her departure; and for then refusing to work they are tried by a federal court at the next port and imprisoned. But all these laws are doubtless the best to be made for the conditions, as is the case with forcing prisoners to labor, and as may have been the case with what little forcing of men to work there was done under the British Statute of Laborers six centuries ago. These laws are good in results for all, not bad, as was imprisonment for debt eighty years ago; as Russia's present law seems to be, imprisoning the leaders in any strike; as was Alabama's unconstitutional law of 1901 for forcing debtors to work under the slavery of peonage; and as would have been the proposal of Southern manufacturers in 1899 to invite capital and stop strikes by requiring term contracts and making breach of them a felony. Under the dangers of navigation the laws that hold sailors to military obedience give also rigid protection in their favor. If unionism's opposition to compulsion secured enactment into law of Justice Harlan's dissenting contention in 1897 that the thirteenth amendment prohibits as involuntary servitude the always practiced and universal compulsion of sailors, men of the character now found on vessels would not be hired, and sea transportation would be raised in price and reduced in extent to balance the employer's increase of risk. Protection by law from hardship in enforcing contracts results in good to all when carried far enough, but when carried further it brings all an injury, especially the unshrewd workers favored (page 546). Civilization requires contracts of the right degree of effectiveness. In nearly all kinds of labor no time contract is needed, and for any or no reason the worker may quit without liability. The strong objection of unionists to compulsion and to contempt punishment leads them to avoid entering such arbitration as that of Indiana. For the compulsion, as well as for the danger, men can also avoid enlisting as soldiers or sailors. (For the decision in the Arago case, in which the United States Supreme Court, with dissent by Justice Harlan alone, upheld the laws subjecting sailors to compulsion, see *Labor Bulletin* No. 11, or 17 Sup. Ct. Rep. 326.) Prof. Ely, in his excellent new book, "Industrial Society," as in his previous works, seems to be unduly drawn toward the socialistic demand for new laws to secure and increase the liberty of the weak by protecting them in contracting with the strong. Especially is this the case with his view of the need for laws to prevent the twentieth man from forcing nineteen competitors to observe hours objectionable to them (pages 442, 531). In laws as to factory hours, company stores, exemption in debt, etc., most of the states seem disposed to go as far as will not make conditions worse by enfeebling the workers as children and needlessly reducing employment; while by the common law

household. Peace is an evil when it stands in the way of attaining justice and righteousness. On these alone does wholesome peace rest. And struggling to maintain these, against wrong both in others and in one's self, is the only thing that makes manhood. To a large extent it has been by unionizing and striking that wage earners have developed the independence and working efficiency necessary for performing their part in the complex industry of modern times (page 186). British counties and American states that have the best developed unionism are the farthest advanced, though of course some advancement of industry came first and made a need for unionism. Where, as in India, there is no unionism, nor readi-

for many years the state has protected the weak by making void those contracts clearly unjust or against public policy, such as a contract lacking on one side in consideration, or such as the recently discovered and set aside contracts by which Negroes in several states of the South were partially enslaved through their agreement in writing to submit to force in guarding, capture, etc., and to charges by which the employer might prolong the service indefinitely. (Ely, 407.)

Strikes of Railway Men, of sufficient extent to seriously interrupt the traffic upon which even the life of people in cities depends, are unlawful under the inter-state commerce act of 1887 and the anti-trust act of 1890 (page 548); and by the precedent set by courts in 1894, the degree of combination and boycotting necessary to make such strikes effective will doubtless not again be permitted or attempted. Many strikes of railway men have occurred since then, but among shop men and freight handlers—not among train crews except in a few unimportant cases, and not materially obstructing traffic. A combination of railroad officials that interrupted traffic would be likewise under the ban. "It follows therefore that a [railroad] strike or boycott, if it was ever effective, can be so no longer." (Court decision quoted in *Labor Bulletin* No. 26, p. 26.) Though this judge gave the extreme interpretation of the law, his view seems destined to prevail. It is well that the two statutes mentioned, designed to restrain employers, answered also for employees. By this elastic and unnoticeable compulsion, together with suppression of never lawful violence and boycotting, both parties are constrained to agree without that impairment of liberty involved in Australian arbitration or Hungarian and Swedish anti-strike laws, and without that impairment involved in placing by law a million railway men under hard and fast rules of obedience. Unionism denounces the application to it of the two federal statutes, and now seeks exemption in the state anti-trust laws (under the Texas anti-trust law a damage suit is now pending against union officials for a boycott), but such exemption would generally be unconstitutional, and would be neutralized by other laws and by nature's penalties for wrong doing.

ness to individually demand and go after the most, the abject submission of workmen to employer is equalled by the absence of efficiency in the one and of enterprise in the other.¹ And unionism is nothing without striking, except so far as it follows, as in New Zealand, the worse action of agitating for favors. The right to strike, or leave, to maintain its vitality, must be continually exercised, not necessarily in actual stoppage of work, but at least in readiness to stop if the terms justly to be afforded by trade conditions should be withheld.

Compulsory Arbitration is Practicable, New Zealand has proved. It was a mistake to argue that men would have to be driven to work as convicts by soldiers, and that employers would close down and take their capital to other lands. The arbitration court could avoid attempting to compel men to depart far from the course they desired to follow. But this does not prove the system to be wise. In New Zealand, with only 800,000 people, mainly agricultural, the court has been able to understand her industries, small and simple and safely shielded from foreign competition by distance or by tariffs, and has been able to make fairly just awards, most of which have favored the workmen. Coming in a time of prosperous business the world over, employers have not seriously objected to bearing the restrictions. To a large extent the court has been essentially managing the country's industries and taking care of its workmen—requiring employment first of all the union men idle, fixing wages for an entire trade at a time, deciding whether the market rate of wages is enough, permitting to work for less old men an employer has the right not to hire, and exercising in general a fatherly oversight. The detailed inquiries made according to law of a man's inability to earn the rate set are amusing, as is Mr. Lloyd's account of the government's sowing a field for a widow. While able and

¹The improvement brought about to some extent in management and machinery by the Victorian wage boards' raising of wages will prove delusive. The worker is depending on the government to bargain for and take care of him; the employer is depending on it to help him against competitors, and the employers as a class know that if they do not improve the law will be modified for them. Both sides are being coddled and enfeebled, and turned away from that vital process of self-reliantly getting jobs and customers by going after them and giving best values.

honest men do the governing, such a system for a while works admirably. It was so under Joseph in Egypt, and under Haroun al Raschid, Caliph of Bagdad. The New Zealand government now insures the people, provides pensions for the aged, gives legal advice, acts as guardian and trustee, and as a friend to those in distress, borrows and lends money, especially to those not desirable as borrowers with private lenders, markets products in London, does the bargaining in wage contracts for practically the whole country, provides work for the unemployed, sets them up as farmers on vacant land, keeps breeding stock for the public, and does various other things for the people better than they could do them for themselves. It might go further with similar success, and have capable officials ready to serve a citizen by planning for him a house or barn, and by advising him in the purchase of a horse or a suit of clothes.

But What Will Be the Result within twenty-five years? Whatever may be said by the socialist as to the people's serving themselves through their committee the government, it seems safe to predict that they will soon become unable to do so individually, especially after the political struggle of starting the new system has been ended; and it will then be strange if those in the government, and the few others that are capable, do not begin to exploit the helpless people for personal gain. The ugly sweating the workers at once fell under when in 1902 a short time elapsed between the Victorian law's expiration and its reënactment, indicates the inevitable effect of increased helplessness. Material comfort furnished by government can never balance the loss of individual independence. This loss soon checks production and progress, and with increasing taxation may take the material comfort and bring national poverty. Unnecessary regulation of industry, in an attempt (always vain) to get out of it for workers more than the market value of their services, soon lessens employment, and the product that can be taxed; while giving men much help in their bargaining soon makes them need help in their working, and unable to change it as required by the progress of the times. As product that all live upon decreases, capability of doing weakens, by which alone product can be regained. Such a process carried a little way might not be recovered from in two generations.

By no means does absence of human restriction make true Mr. Lloyd's happy phrase "Government & Co. Unlimited." The laws of men, when wise, are simply applications of the laws of nature. By no possible scheme of government can the latter be evaded. One of the clearest of them is that the only way a person has of learning and being is by individually doing. The mother does not tie the child's shoes because she can tie them better. Society cannot hire half the people to lead the other half around, and then send to Mars for a third set to keep the leaders from exploiting the led.¹

¹Effects Proving the Unsoundness of Compulsory Arbitration. The workingmen of Australasia, a splendid class of people but following mistaken ideas, had the misfortune to gain too much power in politics, giving them control of the governments, with no opposition party strong enough to hold them in paths of safety. Hence, after finding that by strikers, no more than by robbers, can industry be forced to stand and deliver beyond return in market value and live (or bear within that value much straining of settled liberties), they undertook to get more than the market value of their labor by government action. The latter method has long been a proved success where there is a class from whom the excess value can be taken as a tax. From the report of the judge sent from New South Wales to New Zealand to investigate, the following is abridged. "The effect of the arbitration act has been to make the public pay generally more for products of an industry regulated by the court, when the tariff or other conditions prevent foreign competition. In the boot trade awards made seem not to be justified, and outside producers leap the tariff fence. The coal mine owners advanced price at once when wages were raised; so did the flour millers. Building now costs more; contractors at first opposed but little the advances in wages, feeling able to pass on the extra cost by raising prices; but now they feel that the tendency is to lessen the amount of building to be done, and are opposing more effectively the demands of their men. Rent is becoming dearer." The class who cannot get back the higher prices they pay are the farmers, the vast majority of the people, whose home prices on products are fixed by prices in Europe on their exports. As European prices have happened to be unusually high during the last few years, the effect of the arbitration act has not been felt by the farmers sufficiently to turn them strongly against it. Its day of reckoning is yet to come. The success of the act seems clearly to be traceable to the wisdom of the court, and to an increasing wave of prosperity, "largely due to the favorable market for exports in no way affected directly by the act, such as wool, frozen mutton, and kauri gum. When the lean years come, and wages must be lowered instead of being raised, it remains to be seen whether the principle is workable or not—whether men will loyally abide by the award, or will turn out only the work they think the wage justifies." (*Labor Bulletin* No. 40, p. 558.) Lately, in

In America Would Not the Compulsion be Nominal? Not only would New Zealand's system of arbitration (truly called a cure-all or a dilettante remedy) be radically unconstitutional in the United States, impairing freedom of contract for no adequate reason of police power, but no court here would be likely to understand, well enough to make workable awards, many of our great and complicated industries. Nor would our workmen, accustomed to deciding for themselves, be disposed to take quietly what was given them if in their opinion it was but slightly short of their rights. The penalty, necessarily a light fine, as in New Zealand, to avoid sweeping away the law by revulsion of public feeling, would not be feared by aggrieved workmen, and would break down into non-enforcement if many men disobeyed an award. A fine against an employer, to the limit of the New Zealand law's \$2,500, perhaps necessarily kept low to give any chance of collection from a labor union, would be a trifle to a concern employing thousands; and the employing class, in the willingness of most of them to do what is scientifically right, would find a way, perhaps without much closing of factories, to get rid of a law applied a few times so as to require them to do more—without the general fright among employers, and suspension of business, that soon led the suffering French workers to clamor for repeal of the short day laws of the revolution of 1848. In the aggressiveness of both employers and workmen, the arbitration court, in order to exist, would be so bound to satisfy each side in the matter of justice that the power of compulsion would amount to little. The record shows this to be true in New Zealand. Even there does the court really compel submission to the right, or does it not simply try

1903, dissatisfaction has increased, with one or two important cases in which employees refused to work under the award, and others in which employers closed down. Employers refused to take back, when urged by the registrar (New Zealand has such an officer now), 70 furniture makers dismissed as unable to earn a new wage set. Prosecution of the employers was dismissed, as they had not combined to discharge. The 70 left the trade. The worst outcome would be such wisdom in the court, and such favoring circumstances, as to keep the system in force until the people had been permanently enfeebled. Nearly all employers are now organized into unions, and no trade of importance is not under an award. Permission to work for less than the rate must be approved by the trade union, and it is seldom given. To men shut out entirely the state gives relief work.

to show what the right is, and rely on *its* compelling force among a civilized people?¹

Compulsory Arbitration by Public Opinion. Hence, there is a kind of compulsory arbitration that would be effectual in this country, and easily established, namely, decision by public opinion as to what was right or wrong in the contention, after an able state board of mediation, under the present power of such boards to summon witnesses, had promptly investigated a dispute and published its report. Bringing the exact facts to the people, whose injury gives them a right to know, is a good effect of the New Zealand law. For instance, if the board found true and published the claim of Michigan coal mine operators, in the strike of 1902, that their lowest pay for common labor around the mines was \$2 a day, of the same grade that brought \$1.50 or less in railroad section work, the strikers might soon have given up their demand for an increase; and a great corporation having to support with proved facts its assertion that there was nothing sufficiently questionable to arbitrate, and that it was not taking advantage of inability of

No Compulsion Not Based on Right Exists or continues now in any of the settled American laws. The difficulty, under the effort of officials to please any class who may be aggressive, is to secure that measure of compulsion which right requires. Society's various forms of successful control over capitalists, especially in taxation and in factory laws, are clearly based on necessity for public welfare, yet this control is often poorly enforced. To no important extent, without shifting the cost by means of higher price, could capitalists be compelled to do what they reasonably considered unjust. While to be useful to its owner, "capital *must* be invested, and only a small portion could flow out of the country," it need not be invested *now* or *here*, or in *this way*. Other times or other states will answer its owners' purposes. The power of capitalists (especially when competitors, not monopolists) to close factories, leave men idle, and make supplies scarce, is not dangerous; because, under ordinary conditions, using the power would bring greater loss to them than to the public. When not made monopolists by culpable favors, they will not thus try to force the public unjustly. But the public cannot unjustly force them. To attempt to force them to continue business against their will would be confiscating their property and making them slaves. Their *willing* coöperation in production is necessary to prevent want and starvation. State ownership of industry, under socialism, is good enough for a tribe, but could not long give the people a living under the complex and crowded civilization of to-day. No society can depart far from the nearest attainable justice without sinking into decay. God forgot nothing in his system of checks and balances between man and man.

workmen to move, would grant a just demand rather than incur from public odium the risk of a righteous boycott and of more stringent labor laws. Fortunately, all the power of the government could not in this country make a dispute stay settled if elements of injustice to either side remained. Bringing out clearly, for the parties as well as the public, the facts and the right in the case, is therefore the essential matter, not power or compulsion. The reports of the board, and its judicial recommendations, written by men expert in economics and industry, would soon settle—for employers, workmen, and the public—what wages were right in a set of conditions. Under economic principles thus established, unjust demands would seldom be made; and as both sides came to understand these principles better, and as effective publicity became certain, strikes might be as nearly eliminated as they can ever be under the liberty to choose whether or not to work or to employ.¹

¹A Notable Success in Such Arbitration. The above plan is that proposed by Charles Francis Adams in 1901, and presented by him in the Civic Federation's convention, December, 1902. He illustrated it with the prompt settlement by public opinion of the strike of Boston and Maine engineers in 1877, after the state railroad commissioners had investigated the strike and reported, their only power being to make recommendations. "The effect was immediate. An authentic record was before the community; and public opinion, crystallizing at once, made itself felt. The atmosphere cleared at once, and no further action was found necessary. . . . The publicity removes from the path the impediment of false pride—that fatal stumbling block in the case of nine strikes out of ten. An opportunity gracefully to recede would be offered, and responsibility for obstinate persistence would be placed." The general public is now disposed to judge a strike on its merits. Those employers and those workmen who take a partisan view, and those persons in whom sympathy displaces judgment, seem to be too few to affect the justice of the verdict. (For cases of report by boards, see p. 695.)

An Easy System to Establish. Such a board as Mr. Adams recommends may be formed by slight changes in the present conciliation laws of different states. The Massachusetts board, in its duty to go to the parties in a trade dispute, and to endeavor to induce them to submit the case to it or to a local board, may, "if it deems it advisable," investigate and publish a report assigning blame (since 1902 it *shall* investigate and *may* publish). By the Illinois law of 1901, in case of a strike affecting the public with respect to food, fuel, transportation, or otherwise, and neither side in the dispute consents to submit it to arbitration, the state board, after due effort at conciliation, *may* proceed to investigate, summon witnesses, examine books of account, recommend, and publicly report. The New York board announced

An Agreement With the Union, fixing wages and other conditions in advance for one or several years, has become quite common. Some such agreement, though not for a fixed time,

in 1903 its intention of doing this hereafter. The Missouri law of March, 1901, requires from the board the same investigation when conciliation fails, but requires also that it *shall* publish its report in some local newspaper. This board, therefore, composed of the right men, is what is desired. It would seem to be an easy matter to establish constitutionally by law a practice of investigating and reporting on every dispute involving not less than twenty-five or fifty men, in case of failure of conciliation. Certainty of investigation and report would prevent disputes from occurring or being prolonged on any but claims of some soundness.

Great Possibilities. Prof. J. B. Clark's strong reason for this kind of authoritative arbitration is that the public now tolerates strike intimidation for fear that strict suppression would involve greater wrong in the employer's exploitation of workers whose union effort had thus been thwarted. The proposal of a governor to shoot down with Gatling guns Negroes brought into his state to displace strikers indicates his estimate of public opinion in this matter. After a board's publication of the just rates and conditions, intimidation by strikers refusing to accept them could be suppressed without hesitation, and on men accepting work attempts to place odium would fail. Thus would come an easy solution of the large and ugly problem of picketing, boycotting, and injunctions, and a removal of the bad monopoly power possessed by many unions, since no exclusion of scabs or imported men would be practicable with strikers refusing to accept just rates published. On the other hand, if the rich employer refused to pay such rates, the odium on him and on scabs would be too great to resist. Such results in time are not too much to expect from mere publicity. It is public ignorance that provides the conditions in which the long list of industrial wrongs flourish. Bad power over labor would be removed not only from unions but also from corporations whose men were able to strike and thus have their grievances made known. Under such publicity, with acceptance by strikers of what was just, victimization would not be attempted. And on both sides self-reliance and merit would not be enfeebled, as in Australia, but would be encouraged, the state doing no bargaining for people but simply providing (as it does now in other lines) such reliable information that advantage taking would be reduced to the minimum.

The Coal Strike Commission Recommended enactment by Congress of a bill proposed by Charles Francis Adams (*Labor Bulletin* No. 46), authorizing the President to appoint a commission like itself to compulsorily investigate and report on any dispute (affecting inter-state commerce) deemed by him to endanger the people's supply of a necessary commodity. In the commission's opinion such a report, placing the blame, would have greatly shortened the coal strike, by preventing each side from taking the position of total disregard for the public need of coal. The commission

has always been necessary, at least to the extent of tacit assent, by the workmen as to the wages and hours, and by the employer as to the quantity and quality of work done. When trade

suggested also provision by the states for such compulsory investigation and report in large strikes. As is indicated in the new laws mentioned above, this system of compulsory investigation seems destined to prevail. In the states mentioned it is regarded as promising. (See *World's Work*, Dec. 1902.) For an extraordinary strike Mr. Adams would have the President or Governor appoint a temporary board of the ablest men, such as would not serve on the regular state board. Unionism fears compulsion in publicity as in arbitration, but as a rule is not unduly secret. Yet see pp. 696, 723.

Recommendations by Other Bodies. Compulsory publicity was recommended by the railway strike commission of 1895—that Congress form a permanent commission to report on railway strikes. But the plan then was, where both parties previously agreed, to make obedience compulsory if the pressure of public opinion was not sufficient. The Indiana board recommended in 1899 that (1) it be made unlawful to lock out or strike without first attempting arbitration, and (2) that if a strike then occur the parties be compelled to arbitrate if the stage of violence be reached. The same year the Ohio board recommended that in a strike menacing the peace disobedience to the state board's award, in a compulsory investigation, be punished as contempt of court. (*Indus. Com.* XVII. 701.) But these proceedings, it seems, would not be constitutionally effective, and would be unnecessary in case of compulsory investigation and report, with suppression of violence. Compulsory publicity was favored by the British labor commission of 1894. In 1903 compulsory arbitration was recommended by New York's governor for concerns producing necessities, and by Pennsylvania's for strikes endangering the peace. The Industrial Commission, in 1902, recommended "that whoever inaugurates a lockout or strike without first petitioning for arbitration, or assenting to it when offered, should be subjected to an appropriate penalty." Prof. Ely ("*Industrial Society*," 1903) approves this, and also compulsory publicity, for industries of moderate size; but for industries on which the public welfare is vitally dependent—coal mining, the trusts in general, railways, lighting plants, and similar monopolies—he recommends "everything short of absolutely compulsory acceptance of awards," that is, "heavy penalty for a strike or lockout without first going through all the prescribed steps to arbitrate the difficulty," and says "the duty of preserving the continuous operation of these industries is like that of the prevention of crime."

But it seems that reform of tariff, corporation, and railroad laws would leave no trust with undue power over employees or consumers (p. 245); that even now, despite their power, trusts will almost invariably be fair to employees, often generous, for the sake of efficiency and to avoid public disfavor; and that, especially after the law reforms, trusts will be compelled to be fair if workers do their part (never to be escaped without

unions appear, the workmen assent, not each for himself, but all in a mass through the union officials. Collective bargaining, under ordinary conditions, has chiefly been collective with the workmen only, agreement with the union officials being made by each employer separately. More than a hundred railroad companies in the United States, each for itself, now makes agreements regularly with each of the different brotherhoods or unions of railroad employees.¹ All the negotiating as to wages and hours is done when the agreement is signed. Grievances adjusted afterward, by the various officials of the union—local, district, or national—relate to observance of the agreement's terms. But in many cases the bargaining has become collective on the side of the employers also. Aggressiveness of trade unions in England led employers to unite to resist them nearly a century ago. In 1901 there were in Great Britain 870 separate associations of employers (France had over 2,000 of all kinds) formed mainly for wage bargaining, other associations not being counted. As the workmen of an industry have become more strongly unionized, the natural tendency has been for the employers in a city, or in a district, to act together in matters of wages. In the larger cities there are permanent associations of employing contractors in each of the now numerous building trades (26 associations were in the New York lockout of 1903); and at many places employers in some trades, especially those in which employers work themselves, are united in a kind of labor unions, such as the team owners' union, and the boss barbers' protective association. In some cases united action by employers is through a national association, as when the United Typothetæ agreed in 1899 with

enfeeblement) of self-reliantly going after the best wages in reach. For entire prevention of strikes among employees of railroads, street car lines, etc., new laws imposing effective penalties would be constitutional, but are undesirable, for reasons of avoiding taxing the public to favor the workers, and of avoiding curtailment of the worker's liberty. (See next chapter, also pages 387, 540, 708-10.)

"These contracts embody rates of pay and rules governing overtime, treatment of employees, and for prevention of unjust discharge or suspension." (*Labor Bulletin* No. 8.) In other trades in America there are thousands of signed local agreements, and perhaps a larger number formed not by signing, but by mere compliance. The machinists' international union enforces some 2,000 local agreements.

the International Typographical Union on the change from ten to nine hours of work per day. The building employers' associations unite into a local federation in some of the large cities, and into a national association of several trades, chiefly those in masonry. On the side of the workmen the negotiating, when not done by national or district representatives, is done by a local union that is nearly always a branch of a national body.

Collective Bargaining Enforceable at Law, "between associations legally organized and financially responsible on both sides, . . . holds the future of the peace of labor,"¹ in the opinion of many of the leading authorities on the subject. This means that on one side the employers of a trade in a city or district will be incorporated under law into an association, and on the other side the union of wage workers will also be legally incorporated; and that such as the present time contracts of the two organizations, fixing wages and other conditions of labor, will then be enforceable by each against the other, by means of suit in court for damages caused by default. But there are grave objections to such a cast-iron system of industry. The advantage to wage workers of having each of the important employers bound by a contract enforceable against his association (and by it enforceable against him in expulsion or in forfeiture of a deposit), would be greatly outweighed by the disadvantage of having them united into a compact and permanent monopoly, whose members, by refraining from bidding against one another, in offering higher wages as at present, could easily overmaster a union comprising every workman in the trade. Competition to hire among employers, each seeking to produce and sell all he can, is by far the greatest force in raising wages.² Demand by workers for extra pay is futile when not met on the other side by a strong and generally a competitive demand for men. Moreover, the injury to society from such a guild of employers, in stifling competition and in discouraging improvement, would reach all workmen in higher prices for the trade's product, and its own workmen in limited

¹F. J. Stimson, "Labor in Its Relation to Law," 1895. C. D. Wright, *N. A. Review*, Jan. 1902. Mr. Stimson, in his hand book of 1896, says such bargaining "will be the great emancipation of the future."

²Hadley, "Economics," 367. See also paragraphs in this book on sympathetic strikes, chap. IX.

output and reduced employment.¹ Almost equal to disruption of a union might be the attainment by it of such power as to force employers to combine to meet it. This crisis in unionism has now been reached at a number of places, as is shown in local combination into one body to resist it of employers in many trades. The quick disruption of the American Railway Union, in the strike of 1894, and the wholesale blacklisting that followed, were largely due to the strike's effect to solidify the general managers' association at Chicago, and to arouse its relentless opposition.

Trade Unions Object to Incorporating, though many of those in New York State have done so, as some of the employers' associations there have done also. The special statutes of a number of states to encourage union incorporation, which may be done anywhere under general laws, were mostly enacted about fifteen years ago as a favor to unions, before their present decided opposition to incorporation had developed. The incorporated unions are very few compared with the total number. The reasons for the opposition are that unions cannot afford to hire such able lawyers as those of the employers; that judges, practically all belonging to the upper classes, are disposed to view the labor question from the side of the capitalists; that a union's benefit funds might be taken by suit for damages; that its efficiency as a bargaining and striking body would be impaired by its liability to damages or injunction in favor of the employer, and its discipline would be impaired by such liability in favor of aggrieved members. In reply it is to be said that the benefit funds might be placed in separately incorporated branches. The railway brotherhoods thus administer their millions of insurance.

How to Preserve Competition among employers, and how to save would-be employers from being clubbed away from an industry, is a problem for the public in this age of pools and trusts. In some cities the cut stone trade and the plumbing trade has each been made a high-price monopoly by means of agreements between the employers and those who produce or sell supplies; while perfection in exploiting consumers and excluded workers has been attained for a time in many cases of the exclusive agreement (page 236), in which the union and the employers' association rob the public and divide the spoil. Fortunately, as shown in many decisions (pages 210, 222, 558), the courts, while permitting all the combination in unions and trusts that is beneficial, are discerning and suppressing that which is predatory.

The Taff Vale Decision. As to the fear of not receiving justice from courts, the union has, on the contrary, been specially favored for many years, not only in lenience toward violence and boycotting, but in being permitted to exercise great power without being held as a body to responsibility, the only liability being that of officers and strikers as individuals, and these escaping generally by not having property above the amount exempt from attachment. But as legal restraint is not to be avoided by merely refusing to incorporate, and as a union, though classed with those voluntary bodies of which any one member may be held liable for all the debts, is not to be deemed such a partnership with justice to members individually—for these reasons it has come about, illustrating the adequacy of our system of laws, that unions are now being held to the corporation's responsibility whether they are incorporated or not. Though the British statutes of 1871 and 1876 (which, taking away from unions their illegality of being in restraint of trade, gave them privileges, especially when registered, in owning property and holding embezzling officers to account)—though they expressly relieved the union from liability to members or others,—these unions had become so rich, powerful, and ably managed that the Taff Vale injunction of 1901 against the Amalgamated Railway Servants (against the union itself, not simply its officers individually as before) was carried up to and sustained by the House of Lords, the highest court. The just and reasonable ground was taken that any society, whether incorporated or not, is liable which owns funds and inflicts damage by directing its agents, and that the exemptions in the statutes did not neutralize the liability implied in their provisions as to holding property and performing acts. The result was that in 1902 the Taff Vale company was awarded damages to the amount of \$115,000 for the injury to its business by specifically illegal "watching and besetting." With other voluntary bodies than unions this rule had been in force in England before.

In America unions have never been excepted by statute, and the union itself has repeatedly been made a party to injunction cases, in being forbidden to inflict injury, and now at last its own liability, with that also of its members individually, is

apparently to be more generally and more effectively enforced in holding to account in damages. In 1903, at Rutland, Vt., \$2,500, as compensation for injury to business by intimidation, were awarded by a jury to an employer against a union and also its members individually, the latter's property being attached when the suit was begun; and in injunction cases of 1901-02, at Ansonia and Waterbury, Conn., the individual property of many union members was attached in the employer's damage suits, and the funds of about twenty unions. Similar cases of holding a union and its members to account occurred in 1901-3 at Dayton, O., Evansville, Ind., Danbury, Conn., and Chicago; while lately at Bergin, Canada, a number of strikers in an unincorporated union of wood workers were enjoined and mulcted in damages, and their homes and household effects were attached. Such property of workers would doubtless be exempt in most of the states.

But the Question of Incorporation is Not Important.

Unions cannot be compelled to incorporate, as some have proposed, with statutes preventing their effective existence as voluntary bodies. Such action would be barred by constitutional rights of liberty and lawful assembly or association. A bill for this purpose was before the Connecticut legislature in 1903. While their motive, similar to their hostility toward injunctions and the militia, is questionable in the desire to exert power and yet escape responsibility, their objection is good in the fact that as voluntary bodies, instead of corporations, they have much more liberty in changing rules and maintaining discipline.¹ The somewhat greater difficulty of

¹**A Union, by a Mere Majority Vote**, if taken in compliance with its constitution and by-laws, may make any rule not unlawful or against public policy—may assess and fine at will, exclude or expel, or may abolish a benefit to which a member has paid dues for years,—yet if the action is regularly taken he cannot be heard to complain in court. When he joined the union he agreed to its constitution and the rules for changing it. It is to avoid being brought into court by members fined or expelled that the immensely wealthy and successful New York Stock Exchange remains unincorporated. To a large extent, in its object of maintaining rates of commission and rules of selling, it is a brokers' trade union, for a place in whose limited membership as much as \$80,000 has been paid. A corporation, on the contrary, is created by the state, and is subject to its close supervision. (All phases of union incorporation are treated in a symposium by many writers,

reaching the funds of an unincorporated union by damage suit is balanced by the fact that also each of its members, for its acts and debts, is liable individually, which is not the case with lawful acts and debts of a corporation, in whose formation the main purpose is to have individual liability limited. Collection of union debts or damages from members individually might make them prefer incorporation. A member is not liable for the unincorporated union's act unless he voted for or took part in it, but he is then liable for the wrong doing of all. Incorporation would not protect members participating from being made individual defendants with the union in damage suits arising from its unlawful acts. The common objection of employers to dealing with the union because it is irresponsible would not be noticeably changed by incorporation, nor would the union's danger of litigation trumped up to destroy it. The local union has no funds of consequence, the national body's benefit funds would be kept separate and out of reach, and a union's funds can be taken as it is with practically the same effect as if it were incorporated. The union itself, then as now, would not be responsible (but the individuals) for law or contract breaking by officers or members unless it was done in pursuance of the union's rules or orders, unless the officer had the discretionary power which makes his act that of the union, or unless the law breaking was so aided and abetted as to make it the union's own act.¹ If responsibility in damages was not

including some able lawyers, in the Civic Federation's monthly journal, New York, April, 1903.)

'Need the Union Fear the Law? A union that clearly tries to keep the law is not likely to have trouble in this respect. Why should its funds be more in danger of suit from fault of its officials than is the property of a railway or other employer of agents? The claim that the Taff Vale damages were for an individual's act not authorized by the union resembles unionism's usual denial of complicity—a denial hardly to be sustained in court (page 214). The assertion that British unionism, in its present agitation for a statute widening picketing and protecting funds, will now have to fight over (to regain immunity from damage suits) its battles won previous to 1876, implies that, to be effective, it must violate law and use intimidation. (See Taff Vale article *Rev. of Rev.*, Feb. 1903.) By unionism's best members and by its outside friends, this is not to be believed. Unionism is too sound to need the aid of guerrilla warfare. The charge of aristocratic bias in courts is refuted by a House of Lords decision, in *Allen vs. Flood*, that

desirable for obtaining agreements, a union, or an association of employers, would keep its funds small and rely on assessments; while if such responsibility was advantageous a deposit could be put up by each side, as is now done in some cases. The employer's plea of duress in being forced into the agreement, by which the New York garment workers, though having had hundreds of such forfeiture contracts, have been prevented from collecting any deposits, could doubtless be overcome now if the duress were only threat of lawful strike, without involving unlawful picketing or boycotting. Out of £1,000 deposited with trustees by the British shoe workers' national union, Lord James as referee, in 1899, declared £300 forfeited for breach of a national agreement by the London branch union, and that sum was paid over to the employers' association.

The Only Changes Needed, it seems, are (1) for the union to give up its effort to take advantage of unlawful acts and yet escape responsibility—for it to come out frankly and gain respect and dignity by incorporating, asking no undue release, when incorporation laws have been enacted better suited for its collective bargaining; (2) for the employer to assert in the courts all his rights to compensation for illegal acts of the union and its members, but to give up effort to take unfair advantage by premature injunction; and especially (3) for the employer to abandon his effort to beat back the rise of unionism. A part of the latter effort, in some cases it seems, is his demand for union incorporation—a reason given by some of the coal operators in 1902 for refusal to deal with the union. In such dealing, as in any transaction, the matter of responsibility is well provided for in its effect on the price and terms. Where not monopolistic by public permission of law breaking, the union knows that its rules must be right, and that it must

was too favorable to unionism to stand under natural law. (Pages 210, 222.) The weakness of unionism's contention for irresponsibility at law is obvious in an article in *American Federationist*, June, 1903. Unionism has outgrown its need for "collective action without legal collective responsibility." British Columbia's new law (p. 573), releasing the union and its members from liability, did not, it is to be hoped, spring from the sentiment back of the recent railway strike there (*Outlook*, Sept. 19)—a strike unusually lawless in boycotting, and in radical political intrigue from two new unions of the Pacific states, one of miners and one of railway men.

keep agreements, if it is to obtain more of them, or better ones. Knowledge with each side that the agreement is the best to be obtained is better than legal compulsion. With strong legal means for enforcement, contracts would be made shorter, or not made at all, if there were probability of a desire to be released from them. Going to law answers very well to settle up a past contract, and bring business relations to an end; but as both the employer and the union desire their business relations to continue, legal compulsion, whatever the means, would probably be little used. At most, it would only secure performance of a contract for time yet to expire, and would add to the difficulty of renewal. The addition to the risk of trouble here would probably outweigh the subtraction from the risk of the contract's being broken. Hence, the present system developed further, as set forth in the next few pages, seems to be the correct one for the times. As the employers act together in a voluntary association, the freedom of each to withdraw and grant separately the union's demand gives the workmen the great advantage of the employers' competition with one another; while it gives the public, in the unwillingness of enterprising employers to be bound, a safeguard against guild monopoly. Fortunately, in many occupations, self-interest will keep employers separate, or but loosely organized, leaving full opportunity for individual choice, upon which progress depends. It is really an advantage to the union also that it cannot hold the employer by law to the agreement, since the union receives no money, the real contract being with each worker separately according to the agreement's terms; and that hence it must keep the workmen of the trade well organized, and continually prepared for a strike, in order to obtain and carry out satisfactory agreements. When it becomes divided and weak, no contract or law will prevent the employer from taking advantage of it in exacting better terms for himself.¹

¹**To Farm Out Labor**, as does an Italian padrone, or a Chinese company supplying an employer with coolies, is not desired by the union. The promise on its side is simply to use its fining and expelling power to hold members to the agreement, which is only on the terms to be followed when the labor contract is made with workers individually. In a few exceptional cases, as with the longshoremen and garment workers, the union makes the additional agreement to supply, as far as practicable, the workers needed, but is not a

Negotiation, Not Arbitration, therefore, is now apparently accepted by economists as the solution for the present of the problem of labor and capital. "Arbitration is never accepted until each party to a dispute is equally afraid of the other; and when they have reached that point they can adopt something better than arbitration—namely, negotiation."¹ Practical men

contractor to furnish men, a condition being that the employer may hire outsiders when the unionists are insufficient. But apart from the labor contract made with each worker separately, the union's collective agreement has been held in several cases by the supreme court to be legally enforceable in favor of the New York cloak makers' union for damages (to the union itself) precisely stated in agreements carefully drawn for the many unreliable employers of its trade. To the objection that a membership corporation could not engage in such business transactions as agreements on wages, the reply was made, upheld by the court, that the agreements were not for the union's profit, but were the means of carrying out its object of benefiting its members. (*Indus. Com.* XVII. 617.) But in other trades there is generally no desire to provide for other means of enforcement than the union's power to call a strike, and the employer's power to discharge men or end the agreement. The proposal of seven great employers and lawyers on the British labor commission of 1894, that provision be made for agreements holding the union and the employers' association liable for breach by any member, was opposed by unionists, if enacted would not be utilized, and would not be very effective unless by some compulsion withdrawal were prevented.

¹J. R. Commons, *Rev. of Rev.*, March, 1901.

"**Nothing to Arbitrate**" is a reply which, if made with readiness to frankly explain, marks a proper attitude with either side in the stage of equal negotiation. Each side then renders what the other deems it best to stand out for, or no sale is made. In buying and selling anything except labor, no capable man would think of having a third person to reason with the other party as to what his price ought to be. Where labor, in intelligence and freedom not to contract, is about equal with capital, agreement usually takes place with the promptness and peace that prevail in other important contracting. It is where workers not thus capable are imposed upon or are unreasonable—where the employer refuses to treat or negotiations are broken off—that intervention in conciliation or arbitration is most useful. Any condition attracting attention requires a civil explanation, and if the public is disturbed its mediation cannot rightly be repelled as meddling unless, as sometimes happens, its sentimentalism gives the workers undue hopes (the political settlement of the coal strike of 1900 some thought had this effect in 1902), and makes both present and future conditions worse for all. Society's implied contract with the employer, when he invested his capital, excludes such intervention, and his societal trust requires him to resist unsound claims as well as not to impose on workers. Arbitration, generally acceptable to both sides where needed for interpreting, like a court,

have "agreed that arbitration is impossible without organization, and that two equally powerful organizations can negotiate as well as arbitrate." In this most highly developed system of making the wage agreement, arbitration by a third party (like the decision of a law court) is used only in case of local disputes to interpret the terms of the agreement previously signed—never to determine what ought to be done in an agreement that is yet to be made. Such is the arbitration of the longshoremen with the lake dock managers, of the boot and shoe workers in some states, and of the typographical union with the newspaper publishers' association. But that system comes nearest to perfection, in British cotton manufacturing and in Illinois coal mining, in which traveling experts, one representing the employers and the other the employees, give all their time to settling local disputes passed up to them over several steps of appeal from foremen and local union officials. The two experts reach and agree upon quickly, under the terms of the state or national agreement, practically exact justice in

a past agreement, is proper also to fix a contract yet to be made, and as a last resort is usually desired by one or both parties, where a dispute causing injury has provoked such ill will as to preclude a mutual settlement so satisfactory as any award likely to be made.

What Questions are Arbitrable? As arbitration of one's right to his house, or even to his child, must be accepted in court when a claim is sufficient to bring the case there, so arbitration of any principle, or its application—of the commonest right to conduct one's business—is desirable as a last resort, and is sometimes gladly accepted, where a sufficient contest makes questionable which course is just; though the existence or use of no right or principle clear to one's conscience is to be submitted to arbitration unless there are good reasons for its not being clear to others. The rule that hours or wages are arbitrable, but not principles, such as the right to join a union or to hire non-unionists, is hardly a rule after all. The question is the expediency, and the justice under the conditions, of exercising the admitted right not to recognize the union, as it is of exercising the admitted right to refuse to buy labor above a certain wage. The difference is that the Steel Corporation in 1901 cared too much for the matter of recognition to submit it, as this country would have submitted a trivial affair to The Hague tribunal, but not the Spanish war. "Thou shalt not steal" is not to be questioned, but whether it applies may be. For a wage dispute authoritative investigation seems to be a perfect remedy when made by a just and able board, since it practically settles the rights, but leaves them more open to review than does an award to be endured or broken.

every case, and thus for years at a time with many employers avoid occasion for arbitration by the deciding vote of an outside referee.¹

¹The prevalence of joint committees in Great Britain is indicated by the fact that of 430,000 workers whose pay was raised in 1901, and of 493,000 sustaining decreases, only 2 per cent were engaged in strikes over wages.

How Unionism Wins a Welcome. Before employers have accepted unionism as having a right to exist, and as not being outside intermeddling, the local union's business agent or walking delegate is greatly disliked by them, sometimes justly by reason of his extreme partisanship. But where cordial relations have been developed between union and employer the union's agent is welcomed, as a man with power to hold the workers to what is just. He then frowns on trumped up contentions, and often takes the employer's side. W. E. Weyl, in *The Outlook* of July 19, 1902, explains why at the Pennsylvania anthracite mines, after the strike of 1900, partial toleration of the union (unlike the full recognition at mines in Illinois) in permitting it to organize locally, but in refusing to deal with its national and district officials (or even with local unions to any completeness), prevented those officials from controlling the local unions with the power of suspension, and of withholding strike funds, and hence the men of the newly formed locals indulged continually in petty disputes and strikes, asserting their unionism in an exasperating way to contest the authority of the bosses. Cases are related of sauciness from boys, relying on the union's backing. Just enough unionism has been admitted to make relations disagreeable. More of it brings smooth and just working, especially in the carrying of disputes to higher union officials removed from excited local feeling.

How Agreements With Employers are Made. The longshoremen on the lakes, two delegates from each local union, meet twice a year with the twenty or thirty dock managers, each attending for himself. "For ten to fifteen days they higgles and bluffs and parries until they can agree on wages and conditions for every port and kind of traffic under the joint jurisdiction.... Each side is not fully satisfied with the agreement made, but each is convinced that nothing better can be secured with a strike or lockout. In this way they have created the highest form of industrial peace—namely, constitutional government." The soft coal mine workers and employers of Pennsylvania, Ohio, Indiana, and Illinois meet yearly to renew their contract, 195 operators in 1900, each for himself, and 450 miners sent as representatives by local unions. A unanimous vote is required on the trade agreement. "The theory is that there are just two parties to the bargain, the employer and the workman; and like any voluntary purchase or sale, each party must consent to all the terms." What keeps them together at the convention, sometimes two weeks, until an agreement is reached, "is the positive knowledge that otherwise the mines will be absolutely shut down, and neither the miner will earn wages nor the operator reap profits." The

Recognition of the Union, which is necessary in this system of fixing the wage contract, to be made with each worker individually, means agreeing with its officials as representatives of all the workers, and not determining with each worker separately the contract made with him. The fullest recognition is that of meeting on an equality in joint committees, or in conventions like those of the coal industry—the two sides coöperating in enforcing the joint rules. The least recognition is that of unwillingly paying the union scale of wages (dictated by the union alone, according to its power) in order to avoid a strike or the odium of being a scab concern, while refusing to meet committees from the union, and insisting upon negotiating with none but one's own employees, separately or in committees. In many industries, in cities where the union is well established, employers simply conform to its rules, and the question of recognizing it may never be thought of. Recognition becomes a great issue when the union is being newly established in a city or district. This has been the chief matter of dispute in the anthracite coal district of Pennsylvania, whose workers, after repeated failure of unions and many years of disorganization, were partly unionized before the successful strike of 1900,

longshoremen meet as a house of commons, and the dock managers in a separate room as a house of lords. The mine operators and miners meet together in the same hall. (See the instructive article cited from Prof. Commons.) Similar agreements, but with less perfect control of the field, are now made by the United Mine Workers with employers in over a dozen of the coal states. A great dispute in the coal trade of the Southwest was decided in 1903 by Judge Gray of the late anthracite commission as referee; and for three weeks, at Pittsburgh, Kansas, the first convention was held in which the operators were fully represented and the union fully recognized. Sometimes the agreement's machinery fails to work well, as was lately the case with a dispute of printers at Spokane, and with a new local union of Missouri miners who defied the agreement and President Mitchell.

In various trades hundreds of agreements are made less formally than in conventions—by the local union's committee, to be ratified by the union, and signed by the employer or assented to by compliance. In the Boston masonry trades the joint board makes the new agreement when the term expires, but usually a board is not given this power. Instead there is a special committee or convention, having power to act finally, but composed of many persons, and taking much time, so that by all the agreement may be well understood and assented to. The breaking and abandonment of

and afterward somewhat completely, as was shown by the unanimity with which the men came out on strike in 1902. The demand in this strike, for a twenty per cent advance in wages (the commission awarded ten per cent), was believed to have been open to easy compromise if full recognition had been accorded. The main object of employers in refusing recognition is to keep down the power of the union, and keep free from its control, by making membership of little value to a worker, so that men may be dealt with separately. Many of them have power then to do little else than submit to the employer's terms.¹

the machinists' first national agreement in 1901, its first year, was due to lack of general assent to it.

The Necessity of Unionizing the Workers of Competitors is not appreciated by those who condemn extension of unionism into new districts, which previously may have enjoyed peace in labor matters. Previous to the strike of 1897 the admirable inter-state agreements in the soft coal industry were impossible, because of competition in selling coal from southern Illinois mine operators paying low wages. (But see in next chapter the note on equalizing conditions.) In that year the United Mine Workers conquered the whole state of Illinois, starting with but 1,000 members in the state, and ending with 35,000. Because southern Illinois mine operators were then held by the union to its wages and hours, all the other operators of the four states could conform to the union rules and still have an equal chance in selling their coal, differences in difficulty of mining, and in freights, being balanced by differences in union rates. But to the continuance of the inter-state agreements there has been a menace from coal mined increasingly in West Virginia at low wages by submissive Italians, Negroes, and poor native whites, whose yield of profit to the employer comes in part from his withholding of a proper support. With some men, and in some work, the effect of such a policy to reduce the profit to or below that of employers paying good men good wages—an effect coming from lowering men's strength and efficiency, and from driving the best of them away—may be delayed for some time. Hence, to prepare for a lull in business and weaker demand for coal, the United Mine Workers have been zealously organizing the miners of West Virginia and Kentucky. They must organize the trade with some completeness in order to preserve the inter-state agreements, which in the four states brought peace to "an industry where, for many years, industrial war was chronic, bloodshed frequent, distrust, hatred, and poverty universal." (Commons.) In the machinists' strike of 1901 many employers granted concessions on condition that competitors yielded.

Strategic Strikes. It was for similar reasons that the Amalgamated Association began in 1901 (some of its lodges breaking agreements by striking and others refusing to do so) its unsuccessful and much censured

Keeping the Collective Agreement. Enforcement on both sides is entrusted to the union in the coal trade. The employers' association, to hold members to the agreement, can use nothing but moral suasion. Exclusive agreements and boycotts against expelled members are rightly unlawful, soon leading into some form of trust monopoly. As employers are competitors, there have been cases in England in which forfeiture of a bond as high as \$10,000 did not prevent one from breaking away from the association. The miners' union must save the fair operators, as well as its own members, from the cut-throat operator who lowers prices by lowering wages. President Mitchell said at the close of the convention of 1900: "I will give notice to the operators now that, when they go home, unless they keep the agreement inviolate, we will call the men out; and I will serve notice on the miners that unless they keep the laws of the union we will suspend them." Suspension would exclude men from employment in mines where unionists refuse to work with outsiders.¹ Many unions are so wisely managed that employ-

strike to compel the steel trust to permit it to unionize some of the mills in which for a number of years no union men had been employed. As wages and conditions in these mills were about equal to the union scale, and as no change of scale was asked, it was said the strikers from the union mills had no grievance, but were demanding that the employer, by signing the scale and rules for the non-union mills also, force employees to join the union against their will. Such, it seems, was the effect in 1898 of the longshoremen's national agreement, but theirs are not regular positions like those of steel workers. There seemed to be some truth in the charge that such was the steel workers' demand, but by modification, it seems, the later demand was simply for the right to unionize men by their consent. As to the absence of grievance, the Amalgamated officials said that in order to keep their union alive and effective, safety required a strike to unionize the non-union mills, since by enlarging the latter the steel trust could depend on them and suppress the union in its other mills. In other occupations, well unionized, employers maintain no "balance of power" by means of non-union shops, though such a balance is wholesome where the union has a chance to attain a labor monopoly.

¹In the agreements of the longshoremen, the shoe workers, and the printers, the employers agree to hire unionists only. They have refused this concession in coal mining, in the stove trade, and in the metal trades; but generally the men of the local unions in these trades have secured it by refusing to work with non-unionists. (Commons.) The coal union's strictness in holding all to obedience is possible only where the union is strong, and is accorded recognition by employers. Censure of union officials, for not better

ers even prefer to deal with their officials rather than with separated and irresponsible employees. Employers are greatly pleased with the working of the agreements mentioned in the

restraining their men from violence and other foolish action, should be tempered with a view of the difficulty of instructing, especially under unionism's rapid growth, poor and ignorant men of different races and languages, there being more than a dozen languages in the anthracite coal district. Next to the public schools, the union is regarded as the most effective force by which foreigners are Americanized. The able leadership now developing in unions makes demands, not in sudden ultimatums, as formerly, but with long notice for negotiation, and seeks to keep agreements faithfully, that from removal of uncertainty employers may go ahead boldly in production, giving workers most employment and the people best service.

Reliability of Unions. President Keefe, of the longshoremen's union, employed at Buffalo non-union men to take the place of unionists who had struck in defiance of their agreements. The coal union's mine committee, if a man refuses to work, "shall immediately furnish a man to take such vacant place." President Fox, by readiness to revoke the charters of local unions of molders, has held them to the national agreement that non-unionists must be allowed to work, union rules to govern shops of whose men over half are unionists, but all vacancies to be filled by unionists. (Page 297.) In only some 25 of the molders' 1,300 agreements are non-unionists excluded. "At first the unionists tolerated non-unionists because they had to. Like some corporations, many of the unions have learned now that monopoly is impossible and unnecessary." (R. M. Easley, *McClure's*, Oct. 1902.) Knowledge that disregard of agreements discredits the union, and gives employers reason for objecting to dealing with it, has more influence to secure the keeping of agreements than would liability to damages for breaking them. The continuance of the agreements in the soft coal trade is not jeopardized by the fact that over 70 per cent of the awards have been against the miners. In the stove trade, under practically unbroken peace with molders since 1891, the committee's investigation has repeatedly brought a decrease of pay instead of the increase demanded, so that in demands the men are now more careful. In the British iron trade, from 1869 to 1901, the boards settled 1,400 disputes, 25 of them important, with only 3 short cessations of work. Previously, strikes had been frequent and long.

But naturally agreements are kept by workers with greatest certainty, not when made with separate employers, but when made with employers united in a strong association, such as that in the general foundry trade, formed in 1898, which in labor disputes protects each of its 500 firms (\$300,000,000 capital, 27,000 men) with its large defense fund, and with its commissioner and staff of assistants giving all their time to labor matters.

Unionism's Increased Wisdom and Justice appeared in 1903 in the

note below, and have no desire for a return to former conditions. It has been well said that with wage workers, as with society, the period of greatest turbulence is when the mass first begin

New York city central body's expulsion of a union of subway laborers that broke its agreement with employers, and in the easy defeat, through withdrawal of the central body's support, of a strike by Chicago waiters who insisted on dealing with employers separately, not as an association. The Chicago Labor Federation (252 unions) came near deciding to support no strike by a union not a year old, and did decide to support no strike in which it was not asked to conciliate. This makes it a strong force for peace. Unionists see the bad effects of the strike fever of 1903 in checking building and manufacturing enterprises (high cost can no longer be thrown on the consumer in high prices), and they see the coming of harder times in the general curtailment, by reason of high prices for labor and materials, of the railway improvement carried on so extensively since 1898. The San Francisco building trades council voted against further demands in wages without its sanction. Unionism is heeding the warning of C. S. Darrow, its counsel in the coal strike arbitration, that it is in danger of a bad set-back from its selfish exactions. In 1903 agreements tin plate workers gave up time-honored restrictions that will increase output 15 per cent; and New York clothing cutters secured a shorter day by surrendering all restrictions of output, a clause being that "the men should do their best with due regard to their health and be paid accordingly." New York boiler makers and shipbuilders secured higher pay by giving up sympathetic strikes and interference by delegates with men at work; and all restrictions as to foremen, use of materials and machines, amount done or number of machines per man, the employer not to discriminate against unionists, but to be free to hire others. But while employers by necessity (p. 387) must have a right to discharge without giving a reason (p. 544), as was lately ruled by C. D. Wright as umpire for the new anthracite board, the union, to avoid destruction, must watch discharge of unionists and employment of others (p. 276). The plan of granting a shorter day in exchange for abolition of restriction of output, now becoming serious it is believed, was favored by 607 out of 920 employers, each with capital not below \$500,000, that replied to a late inquiry of the Civic Federation. Such a compromise has appeared in national agreements with machinists and printers. By removal of limitation the men of a shop in one branch of the iron trade earned 28 per cent more in 8 hours than before in 10. (Civic Fed. report, 1903, p. 251.)

A **Liberal Agreement** is that of the iron molders (p. 294) with the employers' association at Philadelphia. It permits piece and premium work that does not lower the time rate per day; permits contracting with the worker individually on the piece rate for a new piece of work, the just rate to be found by time work for a day or two in case of disagreement; gives the employer full liberty to use molding machines and to have them

to claim a right to share in their government with their ruler, previously an autocrat (the railway mobs of 1877 were not unionized); while the highest development of industry comes when unions and employers' associations meet on an equality, legislating in peace and justice.¹

operated by new men; discountenances limitation of output or demand by employer for too much work, and for any unfair practice on either side each association imposes its discipline. Under such fairness it is not strange that in the stove trade the arbitration board of the national agreement has had but one case in eleven years. Fairness and efficiency rise highest under that best government of workers which rests on the consent of the governed.

¹The High Stage of Equal Negotiation is Now Fast Spreading in America, but is yet far from its status under the better settled unionism of England. In 1902 street car men in Chicago secured by strike an agreement by which they were given the right to join the union; those discharged for joining it were reinstated; the companies agreed to treat with union committees; and arbitration was adopted for future disputes. In signing the agreement good feeling was mutual. In mutual concessions settling a strike of Chicago freight handlers they agreed to give a month's notice of strikes in the future. In a strike of street car men at New Haven for collective bargaining, and for reinstatement of two dozen men discharged for assisting in forming a union, the strikers quickly won all their demands, deserving and receiving the unanimous support (even to the extent of mass meetings) of the best classes in the city, including many stockholders. Chicago associations of team owners, warned by a strike of drivers for meat packers and department stores, arranged with the union for time agreements and joint boards of arbitration. The coal team owners' association has an agreement that is to continue five years. The meat packers' teamsters won the right to unionize, denial of which was a partial excuse for the violence they resorted to. In scores of other cases new trade agreements have lately been formed, with joint committees for settling disputes. In 1903 the directors of the New York and New Haven railroad took a dispute from the management, granting demands, and reversing the managers' refusal to meet a joint committee of all the unions concerned. Seven associations of employers, and seven unions, all having relations with teaming, have at Chicago one arbitration board; and an association of employers there in many trades have a general arbitration and labor board headed by an expert, F. W. Job, recently of the state board. The latter association, holding daily meetings, takes up the case of each member employer struck against, fills his orders or engagements, and protects and advises members generally in labor matters.

As new unions are worst for striking and for unreasonableness, so employers without experience with unionism, those in small cities and those conducting new trolley lines, are most averse to recognition and mediation.

Since No Power Could Now Eradicate Unionism from society, it ought to be recognized, and assisted to free itself from its faults. If the steel trust had done in 1901 what some expected, but which it was evidently too wise to carry out—namely, to have driven the Amalgamated Association from its mills—unionism would not have been dead among its employees. In its dealings with them they would have been benefited by the facts that they had organized before, that they could secretly organize again, and that other unions continued to have public influence. In this way unionism benefits the employees of those concerns (usually apart from large cities) that keep it away from their own shops by a liberal policy of wages and hours; also employees situated as those of the Carnegie Steel Company, which has hired or retained no unionists since the great strike of 1892, for whose excesses many would consider that the union deserved some punishment. Unreasonableness and tyranny of the union excuse the same qualities in the employer, who can refuse recognition to the union on the ground that it is unfit for it. On the other hand, his uncom-

It was the unreasonableness of the refusal to recognize that led some judges, bankers, and employers to give toward the coal strikers' fund, as in the strike of 1889 among half-starved dockers a London employer continued the wages of his men that were out on sympathetic strike. Trade agreements are formed most easily where both sides are weary of fighting. To secure such agreements is a leading effort of state boards, as it is of the Civic Federation. By many Massachusetts agreements, disputes not settled are referred to the state board. It does not arbitrate until work is resumed, as in the coal strike. Cordial recognition enables the union to give up exclusion of non-unionists and similar contentions (pp. 297, 327). Exclusion is sometimes given up in advance to secure recognition.

In the anthracite strike commission's proceedings the operators avoided recognizing the national union, but there is recognition in effect, since their own men are united in local unions forming a part of the national and controlled by it. The award is accepted in a three-year agreement, with a joint committee for settling disputes. With such a committee (especially outside of the building trades, though there the sympathetic strike is being surrendered), there is to be no cessation of work until after the committee has failed to agree, and not then if an outside referee is provided for unless the dissatisfaction is so great as to break the trade agreement. In trades not having agreements many strikes in 1902-3 were settled by outside arbitration, but more by conciliation.

promising refusal to perceive the necessity of unionism provokes much of its bitterness. Tactfully to lead employers and wage workers to the high stage of just and equal negotiation—to induce both sides to recognize principles not possibly to be brushed aside—is the beneficent work of the National Civic Federation, of the state conciliation boards, and of every citizen whose influence can be made to quicken the march of progress.¹

¹“After all has been said in press and pulpit about the ‘dignity of labor,’ the only dignity that really commands respect is the bald necessity of dealing with labor on equal terms. The most important result of these trade agreements is the new feeling of equality and mutual respect which springs up in both employer and employee.” (Commons.) This result was noticed long ago in England, in the meeting of employers and workmen around one table as joint boards of conciliation. The gap between the social position of the one class and that of the other was then wide. Another result is that the union falls under control of its best men (not of its extreme agitators, as where there is attempt to suppress it), and its best men become abler and fairer, influencing to their views the rank and file. Employers, too, learn to see both sides of the question.

CHAPTER XXVIII.

COMBINATION AND LIBERTY.

But a More Excellent Way remains for securing justice, peace, and progress than even the best unionism and the best collective agreement, the frequent praise of which, through this book, is meant to be qualified by the phrases "where needed" and "for the present." As social conditions would now be considered very bad in which a man had to go armed for bodily protection, or in which he and his relatives found it expedient to noticeably band together as a clan, so the time will come, if progress continues, in which good industrial conditions will be evidenced by the absence or unimportance of trade unionism. Like militarism, unionism is a necessary evil, the need for which we want as small as possible. Though, like national war, unionism develops some forms of manly independence, it involves the same heavy cost in energy, and is easily glorified by its votaries into a false ideal of class loyalty, as bellicoseness is made synonymous with patriotism, until in each case resources are wasted, industry and character are injured, and the engine of deliverance turns on its own supporters to destroy their liberty. Highest progress requires, not simply that by unionism bad forces be met and coped with, but that the bad conditions be removed, and the burden and injury of over-coming them be thus avoided.

For the Land of the Free what manner of living is that of to-day? A man has to get a permit to work; his efficiency is secondary to his possession of a working card, since to hire him without a card involves a risk of business loss that makes the boldest pause. The case is similar in patronizing an employer; the first question is, not Are his values best? but How does he stand with organized labor? In natural effect unionism's power is now forcing employers to organize to meet it, so that in many cases each of them is in danger of some form of

trust boycott from his own class, until in the organizing of everybody, as in the carrying of weapons, there is far less peace and safety to be enjoyed than where there is no organizing at all. Not only liberty in buying and selling is impaired, but even liberty of thought.¹ Few men can afford to take the business risks of being known as opponents of trade unionism (a merchant is sometimes boycotted if even his clerks ride on scab cars); while legislators and others are constrained to surrender personal judgment by unionism's minute inquiries as to their position regarding its proposals, and by its threat (in the constitution of some trades councils) to "always hold itself ready to accomplish the political ruin of any public representative who may speak or act in a manner detrimental [in its own opinion] to the interests of wage workers." This unwillingness to allow

¹The Quick Outcome of Combination upon which hopes are centered is utter suppression of choice. The 70,000 in the longshoremen's union include every trade from tug captain to the commonest dock laborer, and this union so dominates the lake ports, and many on the ocean and gulf, that few dare to be or to hire non-unionists. The possible tyranny of a vast collectivism, often exemplified in history, was indicated by the late proposal to double the mine workers' million-dollar strike fund. In several smaller cities a federal union gathers up the remnant, so that practically no man or woman can work at anything without a union card. Chicago and San Francisco are similarly unionized by sympathetic support of unions in teaming, on which every trade depends. By exclusive agreement (p. 236) in teaming, a Chicago monopoly of employers and workers, raising prices 40 to 100 per cent, and by strike and boycott mercilessly crushing all outsiders, forced many large concerns in 1903, by refusal to haul coal for them, to cease using natural gas, and thus increased the use of coal. Before hiring a teamster the union is notified; its fees are \$15 to join, and \$1 a month. No citizen may haul his own coal with his own wagon. For such hauling an egg dealer was struck by a unionist and killed, and an employer of union teamsters, for taking out children in his own wagon labor day, was beaten, and his harness was cut to pieces. Similar monopolies exist in the milk, the baking, and other trades. On each side power falls to a bold and bad clique, which extorts and divides large sums by preconcerted bidding, and fines an objectionable employer \$2,500 at a time, or drives him out with ruin. (See full account in *McClure's*, Sept. 1903.) To check all this conspiracy the fine of \$500 on each of two dozen coal dealers, and the few damage suits, are wholly inadequate. By permitting instead of resenting violence and boycotting, so that one cannot live as a non-unionist, the great city is as truly yielding to force as if it paid over a levy to a band of brigands, and is tempting all unions toward the same goal.

legislators to think, or to meet them half way in a search for the right course, increases demagoguery—unscrupulous appeals to passion and prejudice—and leads unionism further in its great fault of following false or unwise friends, and of ignoring the able patriots it could easily put into public offices.

The Forces for Restoring Liberty. Employers, who mainly caused the trouble from the beginning by using their power to oppress workers and to thwart their just aspirations (and who now are the most blamable party for not taking the reasoning attitude good judgment shows to be necessary from their side first with awakened workers), can now easily, in many cases, prevent the appearance or continuance of unionism, or at least of its bad features. They can do this, not with stern repression,¹

Employers Are Fighting Back against unionism now with an extent of combination that for this purpose was never approached before. A national secret anti-boycott society was formed in 1902, to raise a fund for members' defense, and the employers' association of Dayton, O., said to be formed to "smash the unions," has local branches in about twenty cities, mostly of less than 50,000 people. What hostility to unionism there is in the National Metal Trades Association (several hundred employers and a number of paid officials) seems justified in the machinists' breaking of a national agreement in 1901, and especially in their refusal at several places in 1903 to arbitrate questionable strikes over reinstatement of foremen and against premium systems said to be desired by the men working under them (page 100). In the stubborn resistance of the machinists' union to piece work the editor of their journal advises a compromise acceptance of it as inevitable. The British machinists thus accepted it long ago, and lately have thus accepted premium systems. The National Manufacturers' Association (about 2,000 members, Mr. Parry, president) is strongly asserting with the metal association the rights as to non-unionists etc. conceded by New York boiler makers (page 734). In this these associations are preserving liberty and progress. To yield to unjust demands increases them, and may be not greatly better than making them. Employers have been at fault here, but for yielding in the extortion of bribes by the walking delegate they have been under the pressure of contracts, and of profitable business not likely to last.

The Anti-Boycott Society is backing (Sept. 1903) a Danbury hat manufacturer's suit in a Connecticut court for damages of \$100,000 against national officers and 250 local members of the hatters' union, the homes and bank accounts of the latter being attached; and the society is backing another suit of the same person in a federal court, for \$240,000, under the Sherman anti-trust law, against the same unionists and also the officers of the American Federation. The plaintiff claims that because he refused to

as now seems to be advocated by Presidents Parry and Kirby of the two associations of manufacturers (such a policy makes unionism necessary to avoid subjection), but by the opposite policy of removing the workers' need for unionism. The things necessary for such removal ought generally to be done anyhow. A ready hearing by superintendent or employer of workmen's

discharge non-unionists, though paying union wages, his business was nearly ruined by a boycott, which involved not only simple appeal by publication in unfair lists, but also threatening and boycotting of dealers selling his hats (p. 221). Injunctions are also asked for, to stop the boycott. The society is backing at Chicago a number of suits. There is doubtless sufficient law in all the states, if used vigorously, to stop union boycotting and extortion. Alabama has just enacted a stringent law against boycotting, blacklisting, and picketing. At Toronto publication in a newspaper of a notice warning unionists of a strike was lately enjoined. By reason of the strike epidemic building is being greatly curtailed (for various reasons wages have begun to fall in the steel trade), and united employers in many places and trades will largely win in their present demand for no limitation of output, and for freedom to hire non-unionists. Generally, where these concessions are given by the union, further suppression of it will not be attempted. Employers' associations have now a national federation, representing a combined capital of a billion dollars.

Insurance Against Strikes—favored by Mr. Parry's association, successful for several years in Saxony, and to be undertaken by a new Louisville company—leads to strike prevention by conciliation, since in adjustment of losses the reasons for a strike must be investigated. Building trade employers in New York and Philadelphia united in 1903 to purge the unions of badness as was done in Chicago in 1900, and such action was the main business of the last meeting of their National Association. The citizens' alliance of Bloomington, Ill., is active against excluding non-unionists from work and against arbitrating rights. (See its plan in *Public Opinion*, May 28, 1903.) Some of the many such alliances have employment bureaus, and some turn from attempted repression of unionism to dealing with it. The alliance at Kansas City, said to include 7,000 employers, has in some cases, by counter boycott, broken quickly a refusal to deliver material to an employer of non-unionists. Union tyranny seems now to justify the forming of these defensive alliances, but what is needed is a return, through both courage and fair dealing, to that liberty and justice under which very little trade combining of any kind is needed. Where combining is met by combining each side spends itself without gain, as placing all industries in trusts, or all countries under tariffs, limits supply and gives everybody less. The association that made civilization was displacement of fighting with division of labor and with trade. The association of to-day, in trusts and unions, is a new form of ancient robbery, and is one of civilization's greatest dangers.

complaints, acquaintance with and accessibility to them, frank discussion of all reasons for or against raising pay, and scrupulous justice in discharge and promotion, without thought of using power unfairly by retaliating on a man leading in a complaint having any basis in reason,—these will remove the workers' need for the walking delegate, and for a strong union kept ready for the fray. Why cannot a plane be reached (it has been in many cases) without a union, on which the employer and his own men collectively can have the honest conference and mutual truth telling which Mr. Mitchell says will prevent any strike, and can maintain the human relationship far more healthfully for both sides than under unionism? In the same line are the right kind of welfare institutions, talked over with and largely managed by the workers, and in some cases partly supported by them, but with the maximum of freedom to participate or not.¹ For many years without a strike the Midvale steel company at Philadelphia has promoted peace and progress for itself and its men by encouraging personal ambition—training up apprentices to recruit its force, and having a premium system by which many of its men are said to reach an efficiency yielding each in wages \$40 a week. This company and the

¹**The Highest Sagacity of the Employer** has been identified with use of best appliances and best methods, but none the less does it include the best care of his human machinery. A lady employed as social secretary by the McCormick harvester company at Chicago, studying deeply the conditions, improved them so substantially, and with such increase of the workers' good will and efficiency as perhaps largely to over-balance the cost, that in a strike the employees of the Deering company demanded and secured, among other things, the same welfare system for themselves. (*Rev. of Rev.*, July, 1903.) Unionists will not oppose proper welfare institutions when clearly the employer tries to be fair, and has no desire to make them dependent and then take advantage of them. Nearly any employer, with gain to himself, can give safe quarters, just hours and wages, and general treatment that will be received as right. The cash register company at Dayton (with nearly 4,000 employees and 24 unions), having accepted unionism in settlement of the strike of 1901, has an expert who, with a committee from the management, hears complaints, seeks to render exact justice, and induces the men to be active in the union and make it intelligent and just. (See *Engineering Magazine* for April and *Munsey's* for June, 1903.) Would opposition to the effect of such a policy to reduce unionism's importance be less blamable than that attitude of militarism which makes the war it prepares for?

immensely successful Baldwin locomotive concern, whose close relations with employees are due somewhat to its being a partnership of men that rose from the ranks of its own workers, have avoided all trouble from unionism and strikes—not by suppression of unionism, it seems, but by making it a superfluous burden. In the recent spread of unionism the workers in some factories have refused to embrace it because of unwillingness to unite against an employer considerate and just.¹ To have this justice in an employer, and in the workers a capability that precludes anything else, is the “rational industrial method” looked forward to.

In Ideal Conditions of Society there would be the minimum of the individual helplessness that drove Utah people into coöperation (page 91), and that drives workers into unionism. It is well to get good in these ways, but where practicable it is a great deal better to get it without the sinking of individuality into the mass, especially when this involves a struggle of classes. Class consciousness is to be desired where needed for removal of wrongs, but far better is its absence by reason of easy passage and friendly association up the industrial scale, as was the general rule in America not long ago. To a large extent this can be made the rule again.² Avoidance of that

¹Individual Ambition. The Baldwin firm trains up its own men, and so gains by promoting their ambition and their earning that no contest arises over division of product. President Fry of the glass combination told the Industrial Commission of a Rochester concern that prospered greatly by encouraging individual ambition, and graduated more men of success than any other concern in the glass trade. (See his testimony in Vol. VII., and that of President Harrah, of the Midvale company, in Vol. XIV.) As was discussed in the chapter on learning a trade, encouragement of individual ambition will soon put an employer and his men, and the society they serve, far ahead of competitors whose resources and individuality are taxed by unionism. The difference is similar to that between industry in America and industry in Germany, where each of a million workers carries a soldier or official on his back. The employer who is good to his men in that right way upheld by ethics and economics alike is not weakened but is strengthened against competitors (page 114).

²Not Trade Militarism. Herman Justi's plan of making strikes obsolete, by having employers in each trade organize compactly and maintain a labor department, is to secure peace by Europe's system of self-consuming armament by nations. The same is partly involved in W. H. Sayward's plan of avoiding outside conciliation or arbitration by having a joint com-

curse of older countries, division into hostile classes, is practicable here, with our mixed population and sensible education, separated from aristocratic traditions, and can be made another

mittee to stop disputes at the start. The desire of some employers—of many in England—to have trade unions, for the sake of discussion, mutual respect, and completeness of agreement, arises because without a union the discord would be worse. But the best way of all is to go so far back in preventing trouble that neither joint committees nor union will be worth supporting. If in the future, as Prof. J. B. Clark predicts, great unions of capital and great unions of labor will secure justice for each side, society will inevitably lose its liberty. There will be a lamentable failure to use the light we have, a base betrayal by this generation of its trust for posterity, if a cast iron system is again to be settled for centuries on society, merely from lack in employers of willingness to deal justly, and from lack in the public of the courage to frown on boycotting and undue ostracism.

For Securing the Good Will of personal contact the Coal Strike Commission said the efficient medium is the union, raised to its best by recognition, and not driven to extremes by refusal (with intention to destroy it) of the stockholders' chosen manager to meet the union official chosen with equal right by employees to represent them. But the commission also said that disputes should first be considered by the employer or manager with a committee of his own men (would not such closer contact and its good will make this consideration sufficient?), and that its (the commission's) best work would be to evoke mutual agreement to displace the existing antagonism. Is not the good will greatest, and safest too for men with some self-reliant ability to move, when it is trusted by not arming in unionism? Most employers have never had or deserved a strike.

Not Trade Blue Laws. In the Chicago joint agreement of the masonry trade the many rules, with fines up to \$200 on offending workers or employers, will eventually be bad in results, like the Connecticut blue laws, and like a union's fines on its members. As the existence of morality requires voluntary abstaining from acts not directly punished, so efficiency and liberty spring from individual exercise of a general competency that makes impracticable the acts covered by these fines. Unionism is vastly better than the previous stages of slavery, serfdom, and subsistence pay, but that it is not the goal of men created just a little lower than the angels is indicated by its tendency to become only another kind of bondage. Real independence will come from nothing less than the worker's own individual doing and being. As militarism desires to make men machines for working and fighting, so unionism, whose officers naturally become partisans of the cause and incapable of judging it, desires to make men cogs in its wheel, and to stereotype that mediocrity that will hold the largest number.

All the Plagues written in C. H. Pearson's "National Life and Character," and in E. A. Ross's "Social Control," are brought upon older societies by permitting people to give up rising in wealth and efficiency by self-

example of inestimable value to humanity. By reasonable recognition from the employer, unions will be turned from fighting him to coöperating with him, as in the case of the locomotive engineers, without monopolistic restriction of apprenticeship, and with liberty to join the union or not (pages 297, 327). As, from justice and merit on both sides, collective bargaining power sinks in importance, unions will become more similar to scientific and professional societies, ready to act if economic rights be endangered, but occupied chiefly with promoting efficiency and trade progress.

By Increase of Education, especially in manual training and industry, and by the employer's encouragement of efficiency, there will be a great increase of that splendid class who know and reach the whole field, getting work anywhere on merit, doing most for others by doing most for themselves, having no desire to gain by holding others back, and making in industry a democracy that is sound to remotest effects. The large field in which unionism and its coercion cannot now be permanent—the small towns in which, from lack of grievances and from easy access to farm work, men soon weary of paying dues and attending meetings, and where in much of the work unionism makes conditions worse by hardening the employer's dealing and shutting out the weak—this field will be enlarged by the addition of many hives of industry, in which employer and

reliantly earning their way, and to turn to the preying of one class upon another by raising price through scarcity, by holding back the efficient, and by enfeebling all. The methods of the latter course include a brood of protections, in tariffs, labor guilds, restrictive laws, and socialism. It is the branding of healthy individual ambition as greed over competitors, instead of promoting it as good service to customers, that has so largely stratified the British working class, making them several times worse in drunkenness and gambling than American workers, whose door of individual hope unionism has not so nearly closed. From this decay of enterprise comes largely, no doubt, the present decrease of births, and will come a lessening of healthy power in outward trade; from both these come the yielding of the higher to the lower races. It seems true to say that before America, in the matter of trade combination and labor laws, is set this day blessing and cursing, for herself and all mankind; that she must now choose whether, in cowardly yielding to the retrogressive spirit of boycotting and lynching, she will grant the demanded fettering of sound individuality, or whether, by developing it, she will preserve and increase for posterity the liberty that made the nineteenth century glorious.

worker are united by aiding one another's efficiency and progress, and by absence on each side of either opportunity or desire to render less than a full return.¹ Under such conditions individual wage bargaining will come much nearer to securing perfect results for all than will collective. Individual wage bargaining now is very far from being helter-skelter; over but little of the field does unionism, in the absence of unjust exclusion, secure wage increases not individually obtainable unless the labor's output is increased nearly as much. To the extent it is true (small in America) that wages in unionized trades are rising, but in other trades are stationary or falling, the rise is no more an effect of unionism than a cause, making wind for its sails. The same is true of the comparison between states having few unions and those having many. Unions do not prove their prowess on industries not naturally affording higher pay.

A Proper Degree of the Union Spirit. Together with readiness to get the most by going individually from one employer to another, the union spirit, ready at least for temporary concerted action (37 per cent of strikes, 1880 to 1900, were not declared by unions), will still be at hand to do a needed work, such as unionism's taking within twelve years of from three to six hours from the long day of street car men in many cities, with increase of wages besides (page 134); but, owing to clearer judgment and more courage in public opinion (the courage that brooks no boycott), unionism will not have such power (in its eleventh commandment against taking another's job) as to exploit consumers and excluded workers by raising pay in one city much higher than that for the same work in a neighboring city, as is now done in building trades.² These

¹The phrase "a free city" might now be used with some of the good meaning it had in Germany six centuries ago. Possibly, by Mr. Cuniff's description (*World's Work*, Nov. 1902), New Britain may be to some extent a city of this kind, with wealth naturally and healthfully diffused, as compared with Danbury, which he portrays as bound by close unionizing into a tight web of coercion.

²**Equalizing Conditions.** High pay for coal mining in one state may rightly be protected by inducing miners in other states to demand all that their labor market will yield, but they may not artificially raise that sum by monopolistic exclusion of local farm hands and Negroes—by fencing off

forces of education and inspiration, together with increase of justice and foresight among employers, will make untrue and remove the workers' realization (too true in many cases hereto-

the good work and leaving the excluded to the mercy of the iron law of wages. All must rise together, and localities must remain different from one another in labor, as in natural resources. The effort, in unionism and arbitration, to make labor conditions equal, leaving competition to management (pp. 565, 597), soon involves the prison labor and protective tariff fallacies. The highest cost for needed supply will still make the price, which by those producing cheapest will not be cut further than is necessary to carry off all their product. Artificiality, whether in equalizing or differentiating, involves exploitation somewhere, and cannot last when people emerge from the maze of trade protection. The centralization of employers now desired by soft coal miners, for limiting output and keeping up prices, was desired by the anthracite miners thirty years ago; but when it came it made conditions far worse for the miners and consumers, and even for many of the capitalists, after their buying of mines at high prices to form a monopoly. (*Labor Bulletin* No. 13, p. 774.) On the claim that paying cheap men what they are worth is unfair competition, unionism tried in San Francisco in 1901 to force the coarsest restaurants to pay as much as the finest. But it is thus that the unfairness comes, as under the effect of one uniform price for hair-cutting to turn to the fine barber shops those who seek value when they buy. Not much pressure is needed to induce men who can do work to charge enough for it. Healthy progress comes from use of one's own resources, without attack on competitors. Among people of any capability guerrilla competition, a bogey in Australia, injures most those who resort to it. A price-cutting merchant is feared less by competitors than by customers.

Though a Few Laws are Desirable as to Sunday work and factory hours (p. 444), Prof. Ely's doctrine of the twentieth man is only partially true, and becomes less true if men's morality and self-reliance are depended on without laws. Letting people know that he closes on Sunday, but that he keeps open during the week with a stock to be proud of, is the policy of a Jackson confectioner having double the trade of any Sunday-opening competitor. His is a case for sound use of the consumers' league principle. Bank and insurance laws are admirable in results, and a few laws may be needed against adulteration of goods; but care must be taken to know that the consumer wants the knowledge he is said to have a right to, and that the law is not sought for exploiting him with monopoly, as in the case of oleomargarine (pp. 509, 530). "Having a moral sense in a community to do a thing is ten thousand times better than law" (Bishop Potter). The surest basis for that moral sense is to give the people, by leaving them to self-dependence as well as by education, a capability under which fair dealing is the only kind that pays. And the reasons against having laws in these matters apply largely against having unions.

fore) that "their only hope for safety and protection, now or in the future, lies in their association with their fellows" (Gompers). There will not then be a misdirection of energy in a craze for unionism, which indeed rescues people, but leaves

A Gain Too Large. Ethelbert Stewart (*American Federationist*, Sept. 1902), in his formidable superstructure of good resting on the slender and unargued foundation "as a result of our union"—does not notice that a non-unionist, instead of dishonorably taking benefits without sharing the cost, might rightly deem it a disadvantage to have a rate that by natural demand and free movement would have stood at \$3, raised to \$4 with the accompaniments of loss of peace and liberty, of faster work or being crowded out, and of material reduction in the year's employment. Moreover, it might be against unionism, and reveal union exploitation of excluded workers and the public, to point out a difference of pay very large (union pay in nine New Jersey trades in 1899 exceeded that of non-unionists by 41 per cent) if much power was required to prevent the employer from hiring cheaper men. Local wage conditions have made the pay of West Virginia miners but half the rate in Illinois, where the highest workers are protected by a state license and by the union's three ten-dollar initiation fees. (*Indus. Com.* XV. 410.) It is where unionists at their high pay are really preferable, by reason of superior efficiency, that such pay is just. (Pages 152, 288.) As perfect unionism's good results in promoting progress (page 298) are not to be secured from minimum wage laws (page 343), so the same results come with much more wholesomeness without unionism's forcing where, as always in progressive American farming districts, there is no helplessness to be sweated, and no leaning—individual resourcefulness and ambition leading both employer and worker to highest progress. Success here in wage bargaining by one raises pay for others better than does unionism, since the former reveals a natural (not artificial) strength in the labor market which one alone can utilize.

We Must Earnestly Protest against the idea that "the era of individual bargaining has passed away in transportation, and is very nearly a thing of the past in all large scale production" (Ely). This idea, it seems, will bring, in combination and in labor laws, Herbert Spencer's "coming slavery," which may easily be avoided by exercising a self-reliant courage that will even win employers' favor. The largest corporations gladly pay, not only enough for efficiency, but for good men market wages raised high by readiness to seek the best jobs. Neither suppression nor regulation of organization should be the watchword, but a capability and a fairness that make it superfluous. The latter qualities can easily be developed by setting men's minds upon them, and the strife of classes can be avoided that Macaulay predicted in 1858. "Our greatest danger, the class struggle" (Brooks), can scarcely be avoided except by having no sharply defined classes. It will be easier to coöperate with employees under the natural friendliness of mutual interest than under suspicion cultivated by agitation.

most of them in their individual helplessness, and tends even to increase it, besides tending to exploit all outsiders. Except where other means are inadequate for avoiding subjection, a net result of evil for all flows from unionism's cultivation of distrust¹ toward the employer—from its antagonism to any "vertical cleavage which breaks the solidarity of labor against capital." Friendly attachment to the employer is usually to be preferred, rather than watching to overmatch him. Dr. Bradford says the root of society's troubles is skepticism of the brotherhood there is apart from organization. When, because of employers' reasonableness, of workers' proved desirableness, of their readiness to act together temporarily, and of their ability to go and come, they are not in danger of victimization but are fully as independent as the employer,—under these conditions, existing now in many cases, a force of men can express desires more truly and healthfully through a committee from them-

E. D. Durand, approving more organizing, says it will give "peace that results chiefly from dread of conflict rather than from brotherly love."

"**To Maintain That Fellow Feeling** in the workshop which we as trade unionists stand for" (G. N. Barnes), to avoid "cultivation of man's selfishness and loss of desire to coöperate with his fellow shopmates" (J. O'Connell) (see Civ. Fed. Rep. 1903)—in this unionism passes easily into socialism, and seeks brotherhood by purposely making people more helpless (p. 91). Under piece work men do not slip in and work before the hour when, by agreement that such conduct is greedy, men's morality in the matter is given existence by exercise and test, and is not destroyed by absence of chance to do wrong (pp. 95, 260). Employers fitted to succeed with workers not helpless are not, as was charged in connection with the two quotations above, or will not be if not resisted unreasonably, so short-sighted as to hope by piece or premium work to get extra product not justly paid for. The same socialistic desire of saving people from doing by withholding power to do appears in a leading national union's "law" that imposes a fine of \$25, or suspension, for engaging in "speed, record, or other contests." If society is worthy of its gifts it will not, as socialism demands (see Ely's "Social Reform"), abolish corporations for fear they will control the votes of employees and legislators, and the teaching by professors; will not abolish private property because trusts and unions raise prices and rob the public by making goods scarce; will not emasculate people to keep them from temptation. It will have powerful corporations, and systems for drawing out greatest effort in working and earning, while the people will have, not the cowering helplessness that invites exploitation, but the sound sense and morality that will hold these great forces to just and faithful service for all.

selves than through a unionism by which policies are to a large extent forced on them by class appeals, to their own and society's loss. The old time pride and joy in work are prevented, its irksomeness is increased, and its quality is lowered.

The Forging of Chains, which in union and trust combination has been going on of late quite ominously, is fortunately to receive in one direction an unexpected check. This check is in unionism's jealous guarding of the right to strike, which guarding, with the better organizing of the weak unskilled who lean toward socialistic law, is adding unionism more fully to the barriers against socialism. As far-seeing unionists fear compulsory arbitration (a bill for that purpose in the New York legislature was dropped in 1903 after arguments against it by Mr. Gompers), so they are now increasingly fearing government control or ownership. Though labor federations watch legislation to oppose unfavorable bills, there being at Albany a labor lobby of a half dozen or more paid men, urge all kinds of bills for having the state do its own work and pay above market wages, and urge wage and hour clauses for franchises and public contractors,—though this is true, it was mainly unskilled socialistic unionists who in a very short run broke down lately in governing the London suburb of West Ham, driving industry away with a burden of unjust favors to workers, and who in 1902 were prevented by majorities not large in the Massachusetts legislature from exposing to demoralization the laborers of that state with public work for the unemployed in a time of unexampled prosperity. The abler unionists hesitate over the appearance now in this country (from Continental Europe) of compulsory arbitration clauses in municipal franchises (Seattle's charter was upheld requiring such a clause unless the people vote otherwise, and there is such a clause in the New York subway contract), and do not want Congress to establish compulsory arbitration in railway service, or to go far in limiting the railway wage contract. Compulsory arbitration would be constitutional in railway service and in municipal franchises, though doubtless not in the charters of corporations engaged in business on which the public is less dependent.

Compulsion Must Work Both Ways. Trade unionists, who earnestly opposed a railway compulsory arbitration bill in Canada in 1902, perceive that the state's common practice of

favoring its employees by taxing all others would soon, if its industrial control and ownership were extensive, become so demoralizing to its workers, so wasteful, and so inviting to others to engage in similar corruption, that to avert a breakdown the state would have to turn and harden its policy toward its employees. Not only is it too subversive of discipline, and of the state's dignity, for its employees to preconcertedly strike,¹

The Rules of the Union vs. the Law of the Nation. The fact stated above, long known in England and Germany, was learned in 1903 in Australia, in the realization that the strike of state railway engineers (page 341) was practically a revolt against the government. The same fact (appearing too in the recent refusal of Erie's mayor to take back policemen resigning in a body to enforce a demand for increased pay) has just been realized by American unionism also, as shown in the decision of the bookbinders' union to break its rules, and not strike, at President Roosevelt's reinstatement of an assistant foreman whom, because of his expulsion by the union, the public printer had discharged as if the union's rules were of course to prevail. Instead of striking, to force the government, the union has made charges against the man for his removal according to the civil service laws. One of the charges is that he required men to do more work per day than the limit set by the union (from the same office unionism has kept type-setting machines, used universally for six years), and he says another objection is that he told two Congressmen how labor and expense in the office might be saved (page 414). The President said there is no objection to government employees "constituting themselves into a body if they so desire, but no rules or resolutions of that union can be permitted to override the laws of the United States, which it is my sworn duty to enforce." Another good result of the affair is that every government department must be made an open shop—open to men against whom the only objection is that they are not unionists. The President, citing with approval the coal strike commission's award forbidding discrimination for or against either unionists or non-unionists, said "it is of course mere elementary decency to require that all the government departments shall be handled in accordance with the principle thus clearly and fearlessly enunciated for private industry." (*Public Opinion*, July 30, 1903.)

Unconstitutional Discrimination. As shown in Chapter XIX., the exclusion of men heretofore, from government printing, for mere non-unionism, or their having to join the union to get a position, is clearly unconstitutional, though where unionism is strong non-unionists will not be appointed by Congressmen. Unionism, where just, does not need to be subsidized or enforced by law, nor does it need much ostracism for gaining members. The good reason for not working with non-unionists (page 202) does not apply to work for the government, because it will not try to cut down pay unjustly. It is well we have a President who stops at one point unionism's encroachment on law and liberty, and who does so with such

but it is similarly demoralizing for them to hire themselves with other people's money by cowing with their political influence the officials who are supposed to perform the functions of the employer. In the defeat in 1902 of Congressman Loud of California, by certain organized and clamorous postal employees, apparently because he attended to the government's business as he would have attended to his own, the danger here came to view (page 413), as it had shortly before when in New York city, to evade a law against legislative intrigue by public employees, a section of them met, not as firemen but as "American citizens," a term which, like liberty, has been used to cover a multitude of wrong intentions.¹ In New York state, as in

cogency of reason that the union is benefited by being kept in right paths, and public opinion is rallied as it would be everywhere in its quaking before boycotting if a few had the President's courage to take a stand against tyranny. A protest, calling his action unfriendly to unionism, was sent by the Washington trades council to all such councils, asking them to petition for reversal; but his position is so clearly impregnable that the episode will doubtless pass without a suicidal attempt to array unionism against the President politically. The charges against the foreman include alleged immorality thirty years ago (p. 296), but the real objection seems to be acts like those stated above. It is believed that cost of government printing (4,000 employees) is excessive, because of union restriction, and that the new \$2,000,000 building will be too small without the machinery the union excludes. Congress may investigate. Yet the Federation, after denial of its petition, did no wrong in declaring for closed private shops (p. 202).

The Typographical Union's Oath, as pointed out (Sept. 1903) by Catholic clergymen refusing to confess union printers, contains these words: "My fidelity to the union shall in no sense be interfered with by any allegiance that I may now or hereafter owe to any other organization, social, political, or religious." Though in the courageous thoroughness with which he performs duty the President required the government printing office employees to take the oath of allegiance to the nation, the word political in the union oath must have been meant to refer to parties, not to the state, which compels obedience. That treason was not meant is asserted by an ex-president of the union, who says the oath will be changed. But it indicates over-reaching effort to exalt the union, as appears in the matter of the militia (p. 240), and the result in both cases is deserved odium. By highest moral tests, apart from contracts with a return consideration, the reason cannot abdicate for a day, and a promise binding future belief is immoral and utterly void—keeping it being worse than breaking it. Apart from state compulsion the degree of one's fidelity to anything must continually be subject to one's own reason and conscience.

¹**Disfranchisement for Public Employees.** In Great Britain it is being

England, there are many unions composed of men in public work. The fireman whose discharge was upheld by the court was mistaken in supposing that with the right of free speech he could criticise and work against officers in control. Hence,

learned that continuance of the promising movement in municipal ownership of public services (very successful in Glasgow, Manchester, and other cities) may involve partial disfranchisement of city employees, as was found necessary in coöperative societies (page 82). Where officials who select employees are themselves voted for or against by the latter, or are appointed by elected men, there is a condition of unstable equilibrium. The hope of many is that this test will eventually be met by growth of public intelligence and morality; but, aside from weakening individuality, must there not be too much disfranchisement—or too much temptation for employees, and too great an unpaid for and unthanked for burden on the public in watching them—to admit of public ownership's ever becoming extensive? Moreover, since democracy does not do things well, having a self-complacent contempt for wisdom, and since increase of intelligence is kept up with by increase of societal complexity and difficulty of government, does not the success of democracy, in its main function of developing men, depend on its being confined to a field so narrow as to admit of success without much wisdom? England's unequalled success in government is due to the keeping of the ablest men in office (each having great power), by the influence of aristocratic conservatism over democracy; and increase of government ownership, to be successful, requires increased yielding by democracy to that wisdom which is never to be possessed by more than a few. Hence, is it not true now, and to be true always, that a government which does many things cannot be a government by the people? The splendid success of private corporations is due to their placing of great power and resources in the hands of a few able officials, usually chosen by a few large stockholders. Socialism's best chance is under a central rule one locality cannot affect. Australasia has far less local self-government than America. See in *Rev. of Rev.*, Oct. 1903, a portrayal of the evils of Australia's working class rule, especially in curtailment of liberty. Victoria's premier, since the railway strikes, has proposed a bill for depriving government employees of the ordinary suffrage, but allowing them as a class to choose two members of parliament. Their voting and boycotting power has now, in coercion of legislators, much of the same effect that followed the parading of the Prætorian Guard before the Roman Senate.

To a Worker Owning as a Citizen One-Millionth of a public industry, as is mainly the case with a worker owning a few shares in a coöperative factory (page 117), his feeling toward the capital he works with is no more socialism's hoped for feeling of "our tools" than is his feeling toward the machinery of the private employer; but on the contrary, there comes to him the destructive notion of having some right to rob the concern in pay too high or work too poor. Instead of regarding, with Mr. Hobson, the

Mr. Baer's Divine Right of Private Ownership, though it answers well to declaim against, is found after all to have a

present uncertainty of employment as "evoking gross selfishness as necessary to survive" (the opposite is true, since selfishness leads to dishonesty and deprives one of work or customers), and instead of hoping for a decline of selfishness under socialism, we must infer, from present municipal corruption, that with increase of public ownership would come a formidable increase of those seeking direct gain in cash by serving officials and bosses for jobs and contracts, until they overshadowed the now often discomfited and usually unpopular class of those seeking only the indirect and individually small benefit of justice for all. That degree of regard for the public which is required for a democracy's control of a large bureaucracy (the Czar, with all his power, is unable to control his) is rewarded with individual benefits so remote, is so resented by officers and their connection, and is appreciated by so few, as to be unwholesome for all concerned. On the other hand, for the official class, as Mr. Hobson says is necessary, to have such deep sympathy for the people as to make their real welfare its first object, is impossible where the official class is large, and would involve doing too much for people to be good for them. But there is little attempt to thrust good government on people now. Even locally elected officials plunder American cities before the eyes of the most energetic people in the world. Policemen, secure in the favor of a boss or clique, are free to disregard the rights of citizens, and often do so; and where such conditions do not exist, the common readiness to flatter policemen and "fire laddies," though they be deserving, rests largely on fear not to have their favor. To report a railway monopoly's agent would be far safer.

Better Performance of Political Duties will come, it is said, with socialism, or with extension of public ownership, because one's welfare will then be so dependent on government that he will not dare to be inactive. This is another case of wishing for an earthquake that we might be joined in brotherhood as a family. The only reasons why state employees, then a formidable multitude, should give up their present readiness to impose on the public would be consideration for the latter's helplessness or fear of a break-down. They would not permit such a man as Washington to be elected unless they were sobered by something like imminent invasion, but would prefer the corruption bounty of their friend, the boss. The youth's feeling that he can do anything, and needs no advice, is necessary to lead him into achievement, but he and his fellows are not given control of affairs. Democracy's self-confidence is likewise necessary to develop men, but it will never be able to carry on many government industries. To secure for a government highest dignity, and greatest attachment from citizens (see Ely's "Social Reform"), it must take functions clearly its own—must not farm out the taxes as France did before 1789, nor have privately owned water works—but still its problem is not a simple one of the more the better. As in the parent's aiding of his child,

basis disconcertingly sound, as is the case with the divine right of kings, which of course is a true doctrine in Russia and other lands where a free government is above the capacity of the people. As socialism, to keep the people from starving, would have to rule the individual practically as a slave, so in the freest government's control or ownership of industry the tendency is for success to require that the worker be held to obedience as a soldier. Perceiving these things, the American railway worker and his employer, by being fair to one another, will not injure the public very far in strikes, and hence will avert having railway service placed under a kind of military rule, as Italy placed it several years ago; or having it put under close restriction as to striking and arbitration, as it was put in Holland and Victoria in 1903, and as was recommended by the Chicago strike commission of 1894.¹ Since Prussian state railway men are discharged for socialistic agitation, and since the state there is a harder master with its miners than are private owners (but it is a success, not being ruled by its employees), American unionists of foresight did not join in the cry in 1902 for state or national ownership or control of the anthracite coal industry.² Those Montana strikers who in

the government's problem is to do just enough, and by human nature it seems that can never be very much.

¹The New York arbitration board recommended in 1894 that by the state railway work be declared a public service, that its employment be under time contracts, with oath of fidelity and long notice of termination, and that combining to obstruct it be made unlawful. These and other minute restrictions proposed would be constitutional if necessary, but would be a deplorable movement away from liberty toward the stereotyped system of a German bureaucracy. The U. S. Industrial Commission (XIX. 790) recommended in 1901 that Congress fix hours and enact a code for all conditions of railway labor, though it did not specifically recommend anything radical like compulsory arbitration. But such means for preventing railway strikes were proposed in 1903 by the Canadian commission that investigated the late strike in British Columbia.

²**The Public Will be in No Danger of Suffering for Coal** by reason of an obstinate strike (but will get a better and cheaper supply than the state can furnish unless it taxes some to help others) if harmful monopoly is prevented by admission of foreign coal, by adequate state control of railways and other corporations, and by strict suppression of union violence. Some persons then will be glad to do the mining and furnish a supply for the rising price, and loss of trade will soon bring the contestants to terms.

Will Any Lack of Time Change Conditions? After the 1904 petition of a court (some suggested in 1902 receivership for the coal companies) to compel a railway company to obey its charter requirement of continuous service, alleging that the pay demanded was just, did not realize, as unionists do now, that such forcing of the company involves forcing the men (page 387), the only way by which democracy can become

The Wage System Will Last as Long as Liberty. This is an assertion of Mr. Levasseur that cannot be gainsaid. And his Society, whatever it is, would be the payment of rent, interest, and profits. All of these are included in the right to buy and sell, to employ and be employed, and to decide for one's

self. Without free exercise of these rights in private ownership, liberty could not exist, nor could there be efficiency in character or in production! and from the worm of decay our proud civilization would in a due time return to the dust of barbarism from whence it came. Moreover, by the wage system is meant the payment of wages held strictly to supply and demand values, and based on justice from the laborer as well as toward him. If private ownership and liberty passed away, society's decay would be slow or swift according as the market values of the present wage system were or were not adhered to.

And Industry Will Remain Autocratic to the extent that the buyer's or seller's right to decide whether or not to contract

must, if liberty is to exist, be always as truly absolute as was the power of Ivan the Terrible. The state can prohibit the hiring of children, or of men for more than eight hours a day in mines, but it can never restrict choice among lawful things, nor can it ever do very much prohibiting without weakening its people. One must have a freedom unaided and unfeathered, and a wide range of choice, to reach and exercise the potency of character

only the present sharing in the highest wages to be borne by the employer on the same way can be avoided compulsory arbitration for any monopoly trusts producing necessities, which can starve our workers and by raising price recoup the loss, or for a labor trust enforcing a demand by withholding supplies from one member. Risk the waste and corruption of state ownership of mines, and loss of liberty, greatly outweighs now the risk that same Lord Penrhyn will rule the public over a scarce mineral by incurring the loss of closing against a just wage demand (this war itself has been ruin on three years) for that he will incur the loss of long oppressing workers value. mine laws are enforced, earn loses its meaning.

required for saying with Henley "I am the master of my fate." The idea of some, that the employer of to-day is a century hence to be a manager hired by the workers he superintends, will then be more practicable than at present only so far as then the worker as owner will be more able to hire himself as employee with the same strictness of dealing that is now followed by the capitalist employer (page 86). The hope of some, that the trade union; perhaps soon is to be an employing owner, will be realized only so far as it approaches the present corporation, and exacts from its member workers a full return at supply and demand values. Its charity will have to be kept separate. The custom in France of assisting trade unions to take public contracts, the bonds being waived or lowered, and contracts being divided is beneficial only so far as it trains workers to do without the assistance which amounts to a money gift and to become capitalist employers. Otherwise it enfeebles them by leading them to depend on a collectivism that is being left further behind as society rises above its childhood in the tribal stage. The girls of the large store who are permitted (subject to seldom exercised veto) to amend rules, and even to vote refunding of fines and reinstatement of persons discharged, may thus be raised in efficiency and good will, and may feel that for their industry is at least democratic; but in remains autocratic as before, in that they cannot choose (without injuring all and losing their privilege) to make their decisions other than a wise employer would make them himself. The decision is only an interpretation for the case of nature's unalterable laws; the employer himself has no choice without a penalty would be only a degradation from the democratic politics and religion in becoming more democratic is in the fact that the worker will use in bargaining his greater knowledge for combining and moving as he will choose what to believe and which way to vote. In his influence and chance of individual success, industry seems no less democratic than politics now. Not greatly

The public will further democratized by ignorant action of all workers and employers together. Increase of the need for and difficulty of the employer's management makes it unlikely that its importance and reward will be noticeably lessened by spread of intelligence. Some persons then will be glad to do the mining and furnish a supply for the rising price, and loss of trade will soon bring the contestants to terms.

Hopes That Will Be Blasted. Public opinion will never as advocated

Will Any Lapse of Time Change Conditions? After the passing of the five centuries which Rodbertus, agreed with by Professor Smart, thought will be necessary for socializing industry—the “many weary centuries” suggested by Professor Seligman as the time for continuance of the present wage system,—after this the only way by which democracy can become (as Mr. Webb hopes) equal to the task of conducting public industry will be a strict holding of every one to the earning of his pay. Society, whatever its wealth, cannot do otherwise without sowing thereby the seeds of disintegration. In view of the continuance unchanged for five thousand years of human

in 1886 by a noted American authority on the labor question (see Levasseur, 260), require the successful employer to share with his men his profits above the average rate. Society will not thus lower the reward that induces men to leave business yielding a sure living and to take the risks from which progress comes; and if it did lower the reward it would do so in taxation for all, not by giving to the workers of the few rich employers unearned advantages soon to pass to some form of rent. Nor, contrary to expectations now arising with some unionists, will society long permit employees of natural monopolies (such as street railways and the hard coal industry, which can raise wages by raising prices), to exact above market pay by excluding as scabs equally desirable and more deserving workers getting far less in other local occupations. Taxation of the increment of land or business value arising from society's growth will be done for all, not simply for the few who by luck or scheming become a monopoly's employees. (See pages 142, 250, 350, 368.) Prof. J. B. Clark's suggestion (a departure from his searching individualism), that in a compulsory investigation law the returning striker be given a right to his position—will not be accepted by unionists under the cost of such a guarantee (page 387). Ownership by the city, which, unlike ownership by the state or nation, unionists do not fear, feeling able to control it with the labor vote, can succeed and continue only where favors to labor are not exacted. The profit sharing that Alfred Mosely thinks will settle the labor problem will be (above the welfare policy it pays the employer to follow) only the present sharing in the highest wages to be borne by the employer on the margin. In these cases the demand for pay above market wages is a demand for a share of the earnings of capital—a demand to be made by gift a capitalist, since a continuing right to earnings would be the same as ownership. In the price offered for its use the need for a factor of production is determined in the cases of land, capital, and management on the same just principles that rule in the case of labor. Whatever society may do for a worker, justice to others, and the salvation of him and itself from ruin, forbid that it shall ever buy labor on other than supply and demand values. On any other basis, to earn loses its meaning.

nature under the same conditions of working and trading, and in view of the evidently lasting incompatibility between collective industry and liberty,¹ it seems unlikely that if liberty and

The Union Becomes the Guild. This incompatibility appears, not only in the conduct of all large industries by the state in Russia until recently because the people were not yet sufficiently civilized for private enterprise, nor in the state system of Rome after civilization had declined, but it appears also in mediæval guilds and present day trade unions, and in the present necessity for enforcing obedience and stopping intrigue among public employees. The trade union, in proportion to its power, heads straight for the guild's exploitation of workers excluded and consumers overcharged, and for the guild's fettering of its own members. New York plasterers refused to handle imported castings, and different unions have refused to use material made outside of the city or to work with men from outside. Granite cutters, chiefly with the strike and boycott power of shutting off a supply of stone, have lately coerced forces of a dozen men in small cities not unionized to join in a body, changing at once the pay from \$2.50 to \$3 and the hours from 9 to 8, the loss falling mainly on consumers in inability to bear higher prices (page 151), and on local cutters in less work. Cases have risen repeatedly of late in New York state in which a union member had to appeal to the courts to prevent (or to get money damages for) expulsion contrary to union rules, with the consequent exclusion from his means of getting a living. In view of the coercion in joining, and of a single member's slight influence on a majority, this state of affairs is destructive to liberty.

Majority Rule is For a Few Things, such as governing, which are not to be performed individually. It is generally oligarchical after all, being the rule of a few leaders, as illustrated by political bosses. Not many are so decided and brave as to take a stand against false loyalty to a cause. The Cœur d'Alene miners' union, which was in effect a band of desperadoes, was believed to consist mainly of good men overawed. Society has no greater danger than that tyranny of the multitude which condemns those having the moral courage to openly judge a cause or custom. (*Independent*, July 9, 16, 1903.) That Americans are in danger of being enslaved to the despot of organization or mass power is shown in an epidemic of unprovoked lynchings, in one of which, at Evansville, Ind., threat of union boycott led merchants to discharge five militiamen who, firing on a desperate attacking mob, were "as much soldiers in the cause of liberty as any patriot who fell at Bunker Hill" (Gov. Durbin).

The Right to Employ Non-Unionists, won by united employers in the great contests of 1903 in Denver, Omaha, and elsewhere, and preserved in the coal strike award, will be greatly extended by public opinion when it is perceived that their exclusion is socially dangerous if it requires exercise of much power, so that they are not hired where just regard of values and merits requires that they be chosen. But refusal to work with non-unionists

progress are to continue there can ever be more collectivism than municipal ownership of local service monopolies, and perhaps eventually national ownership of telegraphs, railroads, mines, forests, and a few similar natural monopolies that may arise in the future, while even in these lines collectivism will be a failure in America until the state becomes a vastly more efficient employer than it is now, and the people learn to rule instead of being ruled by a political machine or bureaucracy. And the living for others that Henry Wood predicts (though the mad pursuit of money will quickly be changed when people increase their appreciation of faithful service in governing and teaching) can never approach the effort of the mother for the children, yet not without penalty on them and all others can she relieve them from the necessity of deserving by individually earning. By the deepest view, in continued business dealings between even brothers of the same family, the ethical and Christian motive of seeking the highest good of others and of society requires the same conduct as does the economic motive of getting just dues (pages 94, 146).¹ Never, it seems evident, expected, and that with no easier means could there be a con-

does not dangerously subject men to license by the union, or give it the life and death power Mr. Hewitt feared, if under full suppression by law of violence and spiritual religion—all of which may be given largely free, is not headed by those who most need them, especially the complaining poor. Fortunately, there is now general readiness to make good use of trade instruction furnished partly free, and the technical schools to be founded in different within bounds of social safety. The uniting of employers with non-unionists to meet unionism, done successfully in 1903 at Muncie, Ind., and the forming of counter unions of non-unionists (the Independent American Mechanics), done lately at a few places in Indiana and New York, but a repeated failure in past years in England,—need not be necessary if public opinion does its duty. Neither will combination of consumers and non-unionists against joint exploitation by unions and trusts, as in the glass trades. The old notion, that nearly all combining was conspiracy, seems nearer the truth than the present craze of combining to engage in or resist exploitation.

Brotherhood and Self-Interest. In this important sense, it seems, Sir Henry Maine's belief (Ely, "Industrial Society"), that economic motives will more and more displace sympathy and brotherhood, must come true if society is to be rid of the injury arising from harmful charity in many forms, and from weak indulgence by persons of their children and relatives. But hard bargaining, instead of being justified, as the old economists are said to have taught or implied, will be largely abolished, and in the only way, by removing the helplessness that tempts the strong

is there no liberal means of escape from drinking to the dregs the cup of paying in some way for what one receives? But, nevertheless, industry and liberty,¹ it seems unlikely that if liberty and

Is Not Nature's System Good Enough? Who, that has a right to be considered, wants more than justice? For ascertaining what justice and wisdom are in the conditions to be met, what better vantage ground could be desired than is now possessed by the heirs of all the ages, in an experience and a common sense that for most requirements need but slightly to be supplemented by economic and social science? The labor

to exploit (p. 518) — by making people too capable and self-reliant to be imposed on, so that everywhere self-interest and morality together will have made the honest policy of the golden rule prevail as it now does in whole sale trade. And brotherhood will be made vastly more fruitful for good, shut by being raised above heedless charity and indulgence toward the devil often in the wise parent's self-sacrificing care (p. 607). — changing at once the pay from

Working for the Good of Others, socialism's ideal, is now followed as far as is safe, and will be a stronger motive when it is more appreciated. Useful knowledge in books on economics, and valuable discoveries such as in chemistry are given to society by men of thought for less pay than their money board. Their reward comes in honor, in preparation for other work, and in the satisfaction of delivering their message. It is well for them, and in for the state, to impart free the chemical knowledge for making a mixture to kill potato bugs, but to give free potatoes would involve ruinous pauperization. (p. 39) It would be hard to improve on the justice, appealing not naturally in price. Only things having no money value to the individual being can be given free, such as general knowledge, and then there must be pay for books, and for direct services of teacher or doctor. Receiving free the services of even the preacher would sap the Christianity of a congregation, and not despoil it. Improved cooking utensils would not be cared for by women not bearing the sacrifice of paying for them. Plums from trees in one's yard cannot be given to a neighbor to the extent of much money value. He wants them neither as a needy person nor with the obligation of returning the favor. He can take many of them only when they are worthless to the owner. In note to patent for one's self, a valuable invention made in time not hired by another would usually be wrong. The benefit in lower price to consumers would be a trifle to each, and would fall to many deserving no aid, while there would be heavy loss to the inventor, whose conscientiousness would indicate desire to use wealth for society's good. It is strange that J. S. Mill and Prof. Ely ("Social Reform," 1894) countenanced so far a field the idea that industry will never be fully moralized until business men follow the motive of the soldier. In similar services his motive prevails now, and about as far as it is good for society. The apostle's admonition to cover the best gifts, such as good government, wisdom

problem's solution¹ will be (need one fear to predict?) nothing but a raising much further toward perfection, without material change, of the present system of doing all that resources permit toward making known and prevalent every phase of truth and justice, toward teaching and enabling every human creature to get from his powers the most good by rendering the most service, and toward making all conditions as favorable as possible for living the good and successful life. From increase of knowledge, efficiency, honesty, and reasoning capacity, the general tendency will be that, as not by swindling, neither by appeal for favor in lenience of accounting, will men attempt to get value without full payment in return, but will seek that accuracy of accounting which is desired by conscious merit. Nature's plan of requiring from mankind an age-long struggle to reach civilization, of requiring intense thought and labor for utilizing her forces, minerals, and productive powers, and of making the necessity for intelligence increase with its growth,—indicates that for getting a living and obtaining justice no easier means than the present system improved can ever be expected, and that with no easier means could there be a continuance unimpaired of intelligence, morality, and liberty.

and spiritual religion—all of which may be given largely free,—is not heeded by those who most need them, especially the complaining poor. Fortunately, there is now general readiness to make good use of trade instruction furnished partly free, and the technical schools to be founded in different cities by C. M. Schwab can scarcely fail to be of great and lasting benefit.

¹"Justice to labor, equitable distribution of profits under some system which I feel sure will supersede the present, and without resort to socialism"—these are words of Carroll D. Wright in 1893; but their connection with trade instruction and just welfare institutions indicates that his "elements of solution, clearly discernible," were not different from those outlined in this chapter, which seem to prove improbable a supersession of the present system.

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